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'Excess of Hatefulness' Greets Pope in Berlin

By Alan Cowell
New York Times Service

BERLIN — On a day supposed to be the culmination of a long pilgrimage from Nazi-occupied Poland to the fall of communism, Pope John Paul II was greeted in Berlin on Sunday with protesters' whistles, boos and obscenities as he arrived at the Brandenburg Gate to celebrate his vision of freedom.

A naked woman sought to hurl herself from the crowd on Berlin's Unter den Linden Boulevard, and witnesses said the glass-sided vehicle used by the Pope for security was struck by what seemed to be eggs or tomatoes shortly before John Paul II, accompanied by Chancellor Helmut Kohl, walked slowly from West to East through the central arch of the Brandenburg Gate.

The demonstration was one of the most striking displays of hostility toward the Pope in the 72 voyages outside Italy that he has undertaken since he assumed the papacy in 1978.

On the Pope's first visit to a reunified Germany, the short walk was supposed to be a symbolic display of Europe's emergence from decades of Cold War division and the horrors of World War II and the Holocaust against Jews.

"The Brandenburg Gate has been occupied by two German dictatorships," the Pope said Sunday night. "At this place so redolent of history, I feel occasioned to direct an urgent appeal for freedom to all of you here, to the German people, to Europe, which also called for unity in peace, to all people of good will."

Standing at his side, Chancellor Kohl told the Pope:

"You never accepted the unnatural division of Europe by the Iron Curtain.

"You in particular encouraged millions of people who, until a few years ago, suffered under the Communist regime not to abandon hope for a life of freedom."

In marked contrast to the heady speeches, however, the protesters, interspersed in crowds of papal supporters, seemed likely to encourage the oft-stated belief of John Paul II that Europe had emerged from dictatorship and division into a world that holds increasingly little regard for his conservative moral values.

The boos and whistles contrasted sharply with the more familiar jubilation among followers at open-air masses in the central town of Paderborn Saturday and Berlin on Sunday, which drew tens of thousands of the faithful.

The protest was organized by an impromptu coalition of lesbians, gays and leftists opposed to Roman Catholic doctrine forbidding the use of condoms, frowning on modern sexual liberties and supportive of women in the context of motherhood and family.

The demonstration followed earlier protests in other parts of the city that, according to Cardinal Georg Sterzinsky of Berlin, displayed an "excess of hatefulness."



Andreas Altwein/Agence France-Presse

A nun in Berlin keeping an eye out Sunday for Pope John Paul II before his arrival at Olympic Stadium.

Arabs Warn Israel It Must Withdraw

Netanyahu Quickly Denounces 'Attempt to Impose Things'

By John Lancaster
Washington Post Service

CAIRO — Ending their first summit meeting in six years with a rare and perhaps fleeting show of solidarity, Arab leaders warned Sunday that they would "re-evaluate the steps taken toward Israel" in recent years if its new government did not totally withdraw from occupied Arab lands.

They issued a final communiqué demanding that Israel's prime minister, Benjamin Netanyahu, adhere to the principle of "land for peace" that they see as the basis for a comprehensive settlement of the Arab-Israeli conflict.

Among other things, the leaders demanded a full Israeli withdrawal from the West Bank and the Golan Heights; the removal of Jewish settlements therein; the establishment of a Palestinian state with Jerusalem as its capital, and Israeli recognition of the "right to return" for Palestinian refugees displaced in the Arab-Israeli wars.

Mr. Netanyahu swiftly denounced the meeting's outcome as an attempt to lay down conditions for further Arab-Israeli negotiations. In a statement from his office and in later remarks to reporters, he avoided responding to the Arabs' insistence on adherence to previous agreements signed by the defeated Labor Party government.

Instead, he suggested the firm language and demands for return of occupied Arab land were the wrong way to enhance chances for resuming talks and moving on to more agreements.

"The attempt to impose things and dictate preconditions in a way that upsets Israeli security is not appropriate in trying to achieve true peace," he declared.

Foreign Minister David Levy, taking Israel's criticism a step further, said that the communiqué contained "dictates" issued in a tone "that could be interpreted as a threat."

Of most concern to Israel, the leaders implicitly threatened to reconsider Arab moves toward normal relations with Israel that have accompanied progress in Middle East peace negotiations carried out by Mr. Netanyahu's Labor Party predecessors.

"Any procrastination," the Arab statement warned, "will result in a crisis of the peace process" that will return the area "to the whirlpool of tension, force all the Arab countries to re-evaluate the steps taken toward Israel within the framework of the peace process."

For all the fanfare surrounding the two-day summit, sponsored by Egypt, Syria and Saudi Arabia, the main thrust of the communiqué merely restated longstanding Arab demands for the return of occupied land. Notwithstanding the implicit warnings contained, President Hafez Assad of Syria, in particular, had sought tougher language that would have threatened Israel with specific moves to tighten its economic and cultural isolation in the region.

Mr. Assad also clashed with King Hussein of Jordan, who has accused Syria of involvement in terrorist infiltrations of Jordan and successfully argued for language condemning terrorism in the final communiqué.

Foreign Minister Amr Moussa of Egypt, however, proclaimed the meeting "a major success" that had achieved its goals of bridging differences among Arab nations and sending a strong message of caution to the new Israeli prime minister.

In his campaign platform and recent policy statements, Mr. Netanyahu has seemed to rule out territorial concessions to the Arabs while insisting that he wants to continue the U.S.-sponsored peace process that began with a conference in Madrid in 1991.

"We have received the Israeli message," Mr. Moussa told reporters. "Now there is a message today from the Arabs. So let us see. As much as Israel advances, the Arab position will advance."

Mr. Levy said he was not encouraged

See ARABS, Page 10

Gadhafi ignores a UN ban. Page 7.

U.S. Plans to Gloat About Jobs at G-7 Summit

By Alan Friedman
International Herald Tribune

PARIS — It may not please Europe's leaders, especially those presiding over sluggish economies and the Continent's persisting jobs crisis. But U.S. officials en route to this week's Group of Seven summit meeting say that President Bill Clinton wants to tell his European allies about Washington's success at creating jobs and reducing deficits.

The readiness of the United States to crow about its healthy economy emerged during interviews with two top U.S. officials who will be attending the summit talks of the Group of Seven industrialized countries that begin in Lyon on Thursday.

The U.S. stance partly reflects a genuine desire to see Europe deregulate its labor markets and reduce joblessness and is partly a strategy aimed at burnishing the image of an American president who is facing an election back home.

"Our deficit is the lowest in the G-7," said Lawrence H. Summers, the U.S. deputy Treasury secretary, "and we think that having created nearly 10 million jobs we have a lot of experience to share." Mr. Summers said in an interview Saturday that he and other U.S. officials would describe methods of reducing unemployment, and in particular "helping small business, making capital more accessible, encouraging job retraining and operating a more flexible economy."

The senior Treasury official declined to make specific economic policy recommendations, but a number of U.S. officials are said to think that there is still room for lower interest rates in Germany, France and other countries that are trying cut public spending in order to meet the conditions for the launching of a single currency in 1999.

Many private-sector economists worry that, given the sluggish economic picture in France and Germany, spending cuts could weaken any prospective recovery.

Joseph Stiglitz, chairman of Mr. Clinton's Council of Economic Advisers, said in an interview that a more accommodative monetary stance might help counterbalance fiscal austerity. "In Europe," Mr. Stiglitz said, "they face the challenge of this persistently high unemployment, combined with high

See SUMMIT, Page 10

Searching for a Running Mate: Dole's Careful Road

New Woodward Book Takes Inside Look at Campaign (and a Tour of a Troubled White House)

By Dan Balz
Washington Post Service

WASHINGTON — Bob Dole has begun his search for a vice presidential running mate with orders to his staff to send him a candidate who will not anger Republican conservatives and a list of 15 names that includes three old Washington hands: former Secretary of State James A. Baker 3d and the former defense secretaries Richard B. Cheney and Donald H. Rumsfeld, according to a newly published book.

"The Choice," by Bob Woodward, an assistant managing editor of The Washington Post, quotes Mr. Dole as saying that he wants a running mate who will be "a 10" in the eyes of the public, with the candidate telling the head of his search team, Robert F. Ellsworth, "Don't give me someone who would send up, anger, the conservatives."

At the top of the list of 15 names, assembled in the late spring by Mr. Ellsworth and Mr. Dole's campaign manager, Scott Reed, was Colin L. Powell. But Mr. Dole recently said that he doubted that Mr. Powell could be lured onto the ticket. Also included were numerous Republican governors, but most were discounted as not up to the job. Governor Tom Ridge of Pennsylvania, however, is described in the book as "a sleeper" choice among the governors. The list also included two members of the Senate, Richard G. Lugar of Indiana and Connie Mack of Florida.

In the book, Mr. Dole praises Mr. Clinton's selection of Al Gore as his running mate in 1992, but he is critical of the choice of Dan Quayle in 1988, saying George Bush must not have wanted "a 10" that year.

Mr. Dole is quoted as saying, "I might have been a 10 in 1988," when he was passed over by Mr. Bush, but he also acknowledges that when he was Gerald R. Ford's running mate in 1976, he was "maybe a 7."

The Woodward book provides an insider's look at the Republican presidential contest and the Clinton White House over the last 18 months. It describes:

- The president's anguish and resentment toward "traitors on my staff" and "the Washington crowd" as he tried to regain his footing after the Republican sweep in 1994 — and his growing dependence on Dick Morris, the consultant.
- Hillary Rodham Clinton's struggle to deal with her own rejection and her subsequent, deepening relationship with Jean Houston, co-director of the Foundation for Mind Research, which studies "psychic experiences and altered and expanded consciousness." The two met at the White House and elsewhere for a series of sessions that proved to be therapeutic to the first lady, according to the book.
- The fierce battles within the Dole campaign as the former Senate majority leader sought the Republican nomination, and the candidate's discomfort with his party's most conservative

See CHOICE, Page 10



Dave Caulkin/The Associated Press

Monica Seles lining up backhand at tournament in Eastbourne, England.

The Contenders Are Hurting On Wimbledon Center Court

By Ian Thomsen
International Herald Tribune

LONDON — If the ghost of the teenage Boris Becker feels like reappearing at Wimbledon before the next millennium, this would seem to be as good a year as any.

Pete Sampras has been recently exhausted, Andre Agassi has been hopeless, and Becker himself must be near the end. Across the way, Steffi Graf and Monica Seles are both hurting.

Tennis's greatest tournament begins play on the Center Court grass on Monday, and the first glance suggests that every contender is back on his or her heels — physically, emotionally or because he is Agassi. The next two weeks would seem to offer hope for an inventive teenager — another John McEnroe, say, who reached the 1977 semifinals as an 18-year-old qualifier — to make his or her first million a few months earlier than anticipated. But a second, harder look might douse such aspirations. Take Sampras: Last year he was humbled in the opening round of the French Open by Gilbert Schaller of Austria, but within a month had recovered to win his third straight Wimbledon title.

As for Becker, he is 28 and hasn't won Wimbledon in six years, but he was a finalist last year, and five months ago he took the Australian Open. Becker has grown to treat predictions of his demise as if they were invitations to the semifinal, which he has reached nine times at Wimbledon, winning three titles. He missed the French Open with a thigh injury and was surely motivated when fellow Germans Bernd Karbacher and Michael Stich made it to the quarterfinals and final, respectively, in his place. He responded by winning on grass at Queen's Club a week ago, beating Stefan Edberg in the final.

"The pain I felt made me want to play tournaments so much more," Becker said. "It made me eager."

As the No. 2 seed at Wimbledon, Becker doesn't appear to have a tough round ahead until the semifinal, and that's if No. 3 Agassi is still at work. This time last year, Agassi, now 26, was shooting flames, but the pace of trying to keep up with Sampras month after month seems to have undone him. He hasn't done much of anything since losing the U.S. Open final to Sampras last year.

"It's been a little bit of a tough road this year," Sampras said of Agassi. "The final of the Open last year, that took a little bit out of him. I don't know if he's still trying to get over that. He does seem like he hasn't quite rebounded from that match."

Of course, when Agassi does come back to the top of his cycle, he doesn't

See TENNIS, Page 18

Japan-South Korea Meeting: Old Enemies Play Old Chums

By Kevin Sullivan
Washington Post Service

CHEJU ISLAND, South Korea — The leaders of Japan and South Korea, America's two closest allies in Asia, met Sunday at talks carefully designed to gloss over the two countries' historical animosities and current disputes.

Meeting at a seaside resort hotel, Prime Minister Ryutaro Hashimoto of Japan and President Kim Young Sam of South Korea chatted warmly about World Cup soccer and cultural exchanges, leaving to their underlings tougher issues such as Japan's refusal to officially compensate Korean women forced into sexual slavery for Japanese soldiers during World War II.

Mr. Hashimoto did offer personal apologies "from the bottom of my heart" on the "comfort women" issue, but he offered no formal government apology or compensation that the victims have been seeking.

The two leaders, wearing open-necked shirts and blazers, munched spicy Korean kimchi in a casual atmosphere.

Officials here said both leaders, by looking like old friends on a weekend outing, were hoping to nudge their countries into closer cooperation, particularly in dealing with potential

See ASIANS, Page 10

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	14 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	£E 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Johnson Breaks Record in 200

ATLANTA (AP) — Michael Johnson broke the world record in the men's 200 meters — the oldest existing record in track and field — with a time of 19.66 seconds on Sunday at the U.S. track and field trials.

The previous record of 19.72 was set by Pietro Mennea of Italy in 1979 in the thin air of Mexico City.

Johnson ran 19.70 in the semifinals Saturday, but a tailwind of 2.7 meters per second prevented it from being recognized as a world record. The wind registered a legal 1.7 meters per second on Sunday.



Fotis Filergyropoulos/Agence France-Presse

PAPANDREOU DIES — Former Prime Minister Andreas Papandreou of Greece died in Athens at age 77. Page 9.

PAGE TWO
Sierra Leone's Unrepentant Rebel

THE AMERICAS Page 3.
Right Dominates Texas Republicans

ASIA Page 4.
An Indonesian Party in Turmoil

EUROPE Page 6.
After Beef, a New EU Battle

Q&A Page 7.
Chile's President Talks Economics

Opinion Page 8. *Crossword* Page 9.
International Classified Page 15.

Sierra Leone's Unrepentant Guerrilla / **A Life Built on Bitterness**

Mysterious Rebel Leader Emerges From Bush

By Howard W. French
New York Times Service

ABIDJAN, Ivory Coast — Until he emerged from the bush to engage in peace talks here recently, the most frequently asked question about Foday Sankoh, the leader of West Africa's most mysterious guerrilla movement, was whether he really existed at all.

For five years under Mr. Sankoh's shadowy command, the Revolutionary United Front indiscriminately burned Sierra Leone's villages, turned farmers into indentured servants and drove peasants like pack animals on long foot campaigns.

Anyone caught protesting this treatment risked amputation as punishment, villagers say. And for a villager deemed truly defiant, the Front's favorite punishment was to impale the person on a stake and leave the body in warning to others.

Beyond this bewildering cruelty, the mystery surrounding Mr. Sankoh was deepened by his own elusiveness. Throughout the obscure conflict, the guerrilla leader was never photographed. The voice of the man reputed to be Mr. Sankoh was heard only in rare radio messages to the International Committee of the Red Cross.

All of this has changed since peace talks began here in Abidjan recently, and Mr. Sankoh, whose lightly armed guerrillas frustrated a national army backed by regional troops and South African mercenaries, left the bush that he had mastered and took up residence in one of the city's most luxurious hotels.

"Every chateaubriand he eats will be a meal for peace," a senior Western diplomat said enthusiastically about Mr. Sankoh's stay here, speculating that the comforts of hot showers, ironed clothes and fine food after years of life in mosquito-ridden camps made a resumption of the conflict increasingly unlikely.

But what emerged from a two-hour discussion with Mr. Sankoh, a squat, soft-spoken man of 59 who builds his sentences with almost painful deliberation, is a picture of someone still roiled by the offenses, real and imagined, that caused him to start his war.

Like other guerrilla leaders throughout this continent, Mr. Sankoh comes across as a man so blinded by the "rightness" of his vague calls for social justice and his eclectic assortment of ideological influences that he has become oblivious to the pain his struggle has brought his country.

"When two lions or elephants are fighting, who is going to suffer?" he said, smiling, in answering a question about atrocities. "The grass, of course. I cannot deny it."

He said that however impatient his countrymen are to get on with their lives, he is not in a hurry to reach peace with a recently elected government, led by Ahmad Tejan Kabbah, that took over from the military and is his country's first democratic leadership.



Robert Grossman/The New York Times

The rebel Foday Sankoh in his hotel room in Abidjan. Though he is negotiating with the newly elected leaders of Sierra Leone, he says he is in no hurry to end a civil war that has ravaged his country.

The milestones of Mr. Sankoh's life are sources of the bitterness that remains with him today. He blames the British, the colonial masters in Sierra Leone until 1961, for the poverty of his childhood and the slow pace of his advancement in the colonial army, where it took him six years to reach the rank of corporal. He blames the United Nations for his deployment in the early 1960s as part of the peacekeeping force in Zaire in that country's turbulent early days of independence from Belgium, and sees the force as having betrayed the nationalist prime minister, Patrice Lumumba, who was assassinated.

Back in Sierra Leone, he was arrested a number of times in the 1960s on vague charges of association with coup plotters. But Mr. Sankoh, who spent several years in his country's horrible prisons, seems to bear more of a grudge toward the plotters for never having brought him into their inner circle than he does toward his jailers.

"They wanted to make coups, while I always wanted a real revolution," Mr. Sankoh said, seated in his hotel room along with two aides. "But I was still a corporal and nobody listened to my suggestions because of my rank."

When he was released from prison in 1976, Mr. Sankoh began a new life as an itinerant photographer, snapping portraits and photo identity cards in one town after another throughout the countryside. As much as he enjoyed this work, he says the job was never more than a cover for his true passion: putting together his own revolutionary organization.

Like rebel movements that have spread across Africa, Mr. Sankoh's loose association of radicals absorbed the broadest variety of influences, from the ideals of the Boston Tea Party and the French Revolution to the Communism of Cambodia's Pol Pot.

His biggest model, however, he said, was the 19th-century leader of a rebellion against British rule in Sierra Leone, Bai Bureh, a mystic leader whose traditional nickname, Kebalai, meant "one who never tires of war." Mr. Sankoh has emulated both Bai Bureh's skill in setting ambushes against vastly superior forces and his messianic grip on his followers.

More than anything, however, Mr. Sankoh's movement drew upon an accumulation of resentments common throughout independent Africa that began with the legacy of colonialism and gathered weight with the bitter experience of corruption, deepening poverty and incompetence that came with self-rule.

"By 1983 we had cells all over the country," Mr. Sankoh said. "It wasn't so hard, really. All over Sierra Leone people were crying. Our country was dying and everyone wanted change."

His movement's big break came in December 1989, when a former government official named Charles M. Taylor started a civil war in Liberia.

It is widely believed that Mr. Sankoh received training from Mr. Taylor, whose own efforts had been supported by Libya and several French-speaking countries in the region.

But Mr. Sankoh denies this and scarcely conceals his scorn for his Liberian counterpart, whose only agenda, he says, is personal power.

Where Mr. Taylor is widely seen as being consumed by his ambitions, Mr. Sankoh has befuddled representatives of Sierra Leone's government and diplomats alike by insisting that he seeks no high-ranking post or any of the other traditional spoils of war.

"There is nothing on the table which we want for ourselves," he said. "What we want is justice for the people of Sierra Leone."

Aviation Agency Cuts Kiwi Fleet

Pilots Improperly Trained

By Matthew L. Wald
New York Times Service

WASHINGTON — Kiwi International Airlines Inc. has reduced its fleet to 11 Boeing 727s from 15 because many of its pilots were improperly trained and it lacked the personnel to run all its planes, according to the Federal Aviation Administration.

The airline, based in Newark, New Jersey, flies about 82 flights a day, to Atlanta, West Palm Beach, Florida, Las Vegas, Chicago and other cities. Aviation agency officials said they expected it would cut its flights by about 25 percent.

Nicholas Sabatini, manager of the flight standards division for the the agency's Eastern region, said a special safety inspection had recently found that since February 1995 the airline had been using a training manual different from the one the agency had approved.

Kiwi, which was certified to fly in September 1992, was effectively grounded by the agency in December 1994 because of problems in pilot training, and has been operating under a consent order ever since.

The action against Kiwi came four days after the agency grounded another small airline, Valujet, but Arlene Feldman, administrator for the agency's Eastern region, said the issues facing the two lines were not related. Kiwi has been under close surveillance much longer, she said, and maintenance issues, which are involved in the Valujet grounding, did not play a major role in the move against Kiwi.

The agency has come under sharp criticism in the last few days for not acting more swiftly against Valujet, which had shown numerous problems before the May 11 crash in the Everglades that killed 110 people and which the agency allowed to continue flying for five weeks afterwards.

As in the Valujet case, the agency took action against an airline that it had been watching carefully for an extended period, for violations that it had only just discovered but which extended back over much of the period for which the airline was being watched.

A spokesman for Kiwi, Rob Kulat, said that some unapproved manuals might have been used, but that the problem was simply "paperwork."

"It's not a safety, mechanical issue," he said. "It's not the planes, it's the record-keeping procedures that they had a problem with."

He added, "The FAA's been under a lot of pressure because of this Valujet thing, and they have to show something."

Kulat said Kiwi would correct its record-keeping soon and return all its planes to service.

"At this point, we can't say when it will end, but we don't anticipate it will be a long time," he said.

Kiwi also surrendered its authority to test and certify its own pilots, at the aviation agency's insistence because, the agency said, its testers were not properly trained.

Kiwi, like almost all airlines, has "check airmen," specially trained senior pilots who evaluate and report back on other pilots on a regular basis.

But according to Mr. Sabatini, the check airmen had not been trained under an approved procedure, and hence the pilots they checked were not approved, either. The airline has 277 pilots, according to the agency, and 30 were ruled not qualified.

The check airmen were themselves trained using the unapproved manual, according to the agency.

Ms. Feldman said that the airline had escaped detection because it had applied for some amendments to its training program, had the amendments approved, and put the amendments in the front of the looseleaf notebook that held the unapproved training manual. She said it was "a document control problem" and did not appear to have been deliberate.

But Mr. Sabatini said, "They have established a pattern and practice of basically careless compliance."

"Fundamental to their problem is the size of their organization, in terms of capability of their work force being able to accomplish the complexity of their operation," he said.

Mr. Sabatini and Ms. Feldman said the changes would take effect immediately and would stay in effect until Kiwi could demonstrate its ability to run a bigger fleet and evaluate its own pilots.

Kiwi was begun as an employee-owned company by former Eastern pilots in 1992 after that airline collapsed.

TRAVEL UPDATE

Cutback in France on U.S. Visas

PARIS (AP) — The U.S. Embassy and consulates in France are cutting back on U.S. visas they are issuing this summer because of a lack of staff and extra work due to the Olympics.

Only French citizens or foreigners with 10-year residence cards may apply for U.S. visas between June 17 and Aug. 16, according to the embassy. French passport holders may visit the United States for up to 90 days without a visa.

Budget cuts mandated by Congress mean that no junior staff will be assigned to France during the summer to help with processing visa applications, according to the embassy.

Transport Minister Yitzhak Levy of Israel inaugurated the first regular Israeli air service to Jordan on Sunday. Mr. Levy, accompanied by 180 Israeli officials and businessmen, took a Boeing 757 of the flag carrier El Al to Amman. Jordan's state airline began flights to Tel Aviv in April. *(AFP)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Andorra, Argentina, Estonia, Latvia, Luxembourg, Macau, Portugal, Venezuela, Zaire.
TUESDAY: Mozambique, Slovenia.
WEDNESDAY: Madagascar, Somalia.
THURSDAY: Djibouti.
FRIDAY: Djibouti, Guatemala.
SATURDAY: Brunei, Chile, Costa Rica, Malta, Peru, Seychelles, Tahiti, Vatican City.

Sources: J.P. Morgan, Reuters, Bloomberg.

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Forest Fire on Riviera

Reuters

ST.-RAPHAEL, France — The first major Riviera forest fire of the year destroyed 150 hectares of pines and forced firemen to evacuate two camping grounds, firemen said Sunday. Fire authorities banned visitors from forests around Toulon.

WEATHER

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	22/71	14/57 s	24/75	17/62 pc
Amsterdam	15/59	13/55 sh	17/62	12/53 sh
Andorra	29/79	10/50 s	30/86	15/59 s
Athens	30/86	20/68 s	32/89	21/70 s
Barcelona	21/70	13/55 pc	22/71	16/61 pc
Belgrade	29/84	16/61 t	28/82	12/53 pc
Berlin	19/66	8/46 pc	19/66	7/44 pc
Brussels	14/57	8/46 sh	18/61	8/46 sh
Budapest	27/80	18/64 t	23/73	13/55 c
Copenhagen	17/62	10/50 pc	18/64	9/48 pc
Costa Del Sol	34/75	18/64 pc	28/79	19/66 s
Dublin	16/61	8/46 pc	20/68	11/52 s
Edinburgh	13/55	9/48 pc	15/61	11/52 pc
Florence	25/77	11/52 c	20/68	9/48 pc
Frankfurt	19/66	8/46 sh	21/70	8/46 pc
Geneva	17/62	8/46 c	16/61	9/48 sh
Helsinki	14/57	8/46 sh	19/66	12/53 pc
Istanbul	29/84	18/64 s	32/89	19/66 s
Las Palmas	25/77	18/64 s	28/79	19/66 s
Lisbon	21/70	14/57 pc	23/73	17/62 s
London	13/55	9/48 sh	19/66	9/48 c
Madrid	29/79	10/50 pc	27/80	13/55 pc
Mallorca	19/66	15/59 pc	20/68	17/62 pc
Milan	23/73	9/48 t	20/68	11/52 t
Moscow	24/75	19/66 c	31/88	19/66 c
Munich	17/62	7/44 r	18/61	6/43 t
Nice	23/71	11/52 sh	19/66	13/55 pc
Oslo	19/61	13/55 sh	19/64	8/46 r
Paris	17/62	8/46 pc	17/62	8/46 c
Prague	17/62	8/46 r	17/62	7/44 t
Reykjavik	14/57	9/48 pc	15/59	11/52 sh
Rome	25/77	14/57 t	23/73	11/52 c
St. Petersburg	19/64	10/50 sh	24/75	15/59 c
Stockholm	12/53	7/44 c	17/62	8/46 pc
Strasbourg	17/62	8/46 c	17/62	7/44 sh
Tallinn	14/57	8/46 sh	19/66	13/55 pc
Venice	28/79	17/62 c	21/70	14/57 t
Vienna	23/73	12/53 c	17/62	11/52 sh
Warsaw	23/71	15/59 sh	19/66	8/46 sh
Zurich	17/62	7/44 r	18/61	7/44 t

Oceania

Auckland	17/62	12/53 c	17/62	11/52 pc
Sydney	18/64	12/53 sh	18/64	11/52 pc

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Hot · Heavy Rain · Heavy Snow

North America
It will be dry and unseasonably hot Tuesday through Thursday in the central and southern Plains of the U.S. However, there will be much cooler air in the Pacific Northwest with showers each day extending from western British Columbia to the coast of northern California.

Europe
Warm and pleasant over much of western Europe, but central Europe will be rather cool. London will be partly sunny and nice, while Warsaw will be cloudy and cool with showers. Heavy rains will continue in northern Italy, southern Austria and through the southern Alps.

Asia
Beijing will be dry and warm with some sunshine Tuesday and Wednesday, but may have a thunderstorm Thursday. Tokyo and much of Japan will be warm and humid with scattered showers. Drenching rains are likely from northern Myanmar into eastern Tibet. Hong Kong will be humid with little or no rain.

Middle East

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Abu Dhabi	37/66	27/80 s	39/100	27/80 s
Beirut	26/79	19/66 s	29/82	21/70 s
Cairo	31/88	13/55 s	34/93	19/66 s
Damascus	26/79	9/48 s	29/84	14/57 s
Jerusalem	24/75	13/55 s	29/79	17/62 s
Lebanon	35/87	12/53 s	39/102	17/62 s
Riyadh	40/104	21/70 s	42/107	24/75 s

Africa

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algiers	23/73	16/61 pc	23/73	17/62 pc
Cape Town	24/75	12/53 s	15/59	7/44 c
Casablanca	22/71	14/57 s	23/73	17/62 s
Harare	23/73	8/46 pc	23/73	11/52 pc
Lagos	29/84	23/73 pc	29/84	24/75 c
Nairobi	24/75	8/46 pc	23/73	12/53 pc
Tunis	29/84	15/59 c	25/77	15/59 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bangkok	32/89	26/79 t	32/89	26/79 t
Beijing	34/93	19/66 t	33/91	22/71 c
Hong Kong	31/88	27/80 sh	31/88	27/80 pc
Manila	33/91	24/75 pc	33/91	24/75 pc
New Delhi	36/97	32/89 t	37/98	31/88 t
Seoul	25/77	17/62 c	30/86	18/64 s
Shanghai	29/84	21/70 pc	31/88	23/73 pc
Singapore	32/89	23/73 pc	33/91	23/73 pc
Taipei	31/88	25/77 t	32/89	24/75 t
Tokyo	27/80	19/64 sh	28/79	18/64 pc

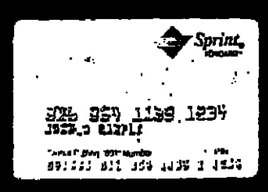
Latin America

Buenos Aires	10/50	0/32 pc	11/52	1/34 pc
Caracas	31/88	26/79 sh	32/89	25/77 pc
Lima	18/64	17/62 s	19/66	18/61 pc
Mexico City	24/75	14/57 t	25/77	14/57 pc
Rio de Janeiro	25/77	18/64 pc	25/77	19/66 pc
Santiago	18/64	3/37 s	16/61	4/39 pc

North America

Anchorage	21/70	12/53 c	20/68	12/53 pc
Atlanta	36/97	24/75 s	35/97	23/73 pc
Boston	23/73	14/57 c	23/73	17/62 pc
Chicago	31/88	19/66 pc	30/86	18/64 pc
Dallas	37/98	23/73 s	35/95	23/73 pc
Denver	33/91	14/57 pc	29/84	12/53 s
Detroit	30/86	18/64 pc	29/84	18/64 pc
Honolulu	32/89	23/71 pc	29/84	25/73 pc
Houston	33/91	24/75 pc	32/89	25/77 pc
Los Angeles	28/82	18/61 s	28/82	18/61 pc
Miami	34/93	29/79 pc	33/91	28/79 pc
Minneapolis	28/82	18/64 pc	24/75	13/55 t
Montreal	25/77	11/52 c	23/73	16/60 sh
Nassau	31/88	24/75 pc	32/89	24/75 t
New York	30/86	20/68 pc	31/88	22/71 pc
Phoenix	41/106	29/79 s	41/106	27/80 s
San Fran.	20/68	12/53 pc	21/70	13/55 pc
Seattle	23/68	13/53 pc	23/73	13/55 pc
Toronto	24/75	14/57 t	27/80	13/55 t
Vancouver	22/71	13/55 pc	22/71	14/57 pc
Washington	36/97	23/71 pc	33/91	24/75 pc

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THE AMERICAS

Dole Delegates Defeated

Religious Right Dominates Texas Republicans

By Thomas B. Edsall
Washington Post Service

SAN ANTONIO — Bob Dole won the Texas primary in March by a landslide, but leaders of the Christian right have organized the defeat of many of his hand-picked delegates. As a result, the right will control the Texas delegation at the Republican National Convention in San Diego.

The votes Saturday at the Texas Republican state convention mark another success for social and religious conservatives determined to pick national convention delegates committed to opposing any move by Mr. Dole to choose a running mate who supports abortion rights. Of the 123 delegates, 86 are committed to taking such a stand.

"It was always our goal that the Texas delegation be one of the most aggressively and overwhelmingly pro-life and pro-family delegations, and that has obviously happened this weekend," said Ralph Reed, executive director of the Christian Coalition. "We view this weekend as a major victory for the pro-family movement."

In 30 separate congressional district caucuses Saturday morning, each choosing three delegates for a total of 90, social conservatives defeated roughly half the candidates nominated by the Dole campaign. Those left standing were largely activists with ties to the religious right.

The Dole campaign accepted the setbacks in silence, however, in order to avoid losing the nationally symbolic fight here over the selection of Senator Kay Bailey Hutchison, who is a moderate supporter of abortion rights, as one of 33 at-large Texas delegates.

"There is no compromise as far as Kay Hutchison goes," Governor George W. Bush declared. "As far as Kay Hutchison goes, she ought to be a national delegate." A carefully chosen at-large slate, including Mrs. Hutchison, was approved. The inclusion of 16 people picked by Christian Coalition, right-to-life and other conservative groups insured Senator Hutchison's victory.

In a renegade action that lacked the backing of other conservative leaders, Bill Price, head of Texans for Life, had initiated a well publicized drive to defeat Senator Hutchison. The 7,000-plus delegates to the state convention here are overwhelmingly opposed to abortion, and Mr. Price was viewed as leading a dangerous threat to the senator, unless other Christian and conservative leaders supported her.

Mr. Price's threat gave social conservatives leverage over the Dole campaign and party regulars, forcing them to accept defeat of many of their candidates for delegate from congressional districts, and to give 16 of the at-large delegate seats to people chosen by Christian Coalition, Eagle Forum, Texas Right to Life and Texas Home School Coalition leaders. Despite Mrs. Hutchison's selection, Mr. Price declared victory: "There is a rogue elephant from Texas on the way to San Diego, that means business."

In a reflection of the ideological tenor of the Texas convention, the Republicans approved by strong voice vote a platform calling for a constitutional amendment barring all abortions, eliminating even the exemption to protect the life of the woman.

Mr. Bush, who will be an at-large delegate, refused to sign a pledge promoted by Christian conservatives committing himself to oppose a vice presidential nominee who supports abortion rights.

"I think that soon-to-be President Dole should be able to pick whomever he wants," Mr. Bush said. "I will not sign a card, because it is soon-to-be President Dole's choice to make."

But in the battles to pick delegates, the Christian right rejected about half of the Dole candidates, targeting those who refused to sign the pledge. "I think this is a win-win situation," declared Tim Lambert, president of the Texas Home School Coalition and the likely winner in a contest to become the state's Republican national committeeman.

Away From Politics

• A report commissioned by an influential committee of the American Medical Association has been shelved after some medical experts who reviewed a draft copy expressed outrage at its recommendation that marijuana be legalized and criminal penalties removed from other illegal drugs. *(NYT)*

• A man who admitted selling more than $2.1 million in counterfeit replacement parts for Boeing jetliners over a decade was sentenced to four years in prison and fined $75,000. Allan L. Ausman of Seattle was also ordered to pay $615,991 in restitution, prosecutors said. *(AP)*

• O.J. Simpson says that he made an offer to hold a black-tie fund-raiser at his Brentwood estate for a group that works to combat spousal abuse because, he said, he was "against violence of any sort." The reception and silent auction planned Thursday will be attended by "a very select group of press and celebrities," according to Stop the Violence-Increase the Peace Foundation, which also seeks to curb other forms of violence. *(AP)*



L.M. Otero/The Associated Press

Senator Phil Gramm saluting Texas Republicans after backing Mrs. Hutchison.

POLITICAL NOTES

Marching for Animals

WASHINGTON — Animal-rights advocates marched to the Capitol on Sunday, preaching love and compassion for all animals — human and non-human.

"If people saw and experienced what is done to animals, if they saw the atrocities" being done to "fellow creatures of life," said James Cromwell, the actor, then they would stop eating meat. Mr. Cromwell, the human star of the movie "Babe," said at the March for the Animals that he began eschewing meat and animal products like eggs, milk and cheese, after making the Academy Award-nominated film about a pig who thinks he's a sheepdog.

"Babe was this pig that was supposed to have been slaughtered, but instead he made his message known through love and compassion," said Mr. Cromwell. About 3,000 people marched from the White House to the Capitol. The march attracted more than 40 animal-rights groups. *(AP)*

A Drinking Water Bill

WASHINGTON — Congress is considering a far-reaching proposal requiring municipal water systems to tell the public what contaminants have been found in local drinking water. The water systems would put those findings in water bills once a year, explaining what pollutants were found and, if federal water quality standards were violated, how the pollutants could affect consumers' health.

Advocates of the legislation contend that this step would be a powerful tool for ensuring that water providers maintain good water quality. Critics say that the notices would confuse consumers.

The provision, sponsored by Republicans and Democrats alike and unanimously approved by a House committee, is virtually certain to be approved by the full House when it votes on revisions to the Safe Drinking Water Act. *(NYT)*

Rebels on Immigration

WASHINGTON — Bucking their party leaders, two senior Republicans privately oppose a proposal in pending immigration legislation that would allow states to bar children who are illegal immigrants from public schools. The two say they will try to modify or kill the provision.

To maintain appearances of party unity, one of the two, Representative Henry Hyde of Illinois, chairman of the House Judiciary Committee, publicly supports the measure. The other, Senator Orrin Hatch of Utah, chairman of the Senate Judiciary Committee, is officially noncommittal. But both lawmakers, whose views will carry weight in a House-Senate conference committee that will soon meet to reconcile the chambers' differing bills, are telling associates that the measure is bad policy. *(NYT)*

Quote/Unquote

Kenneth Duberstein, White House chief of staff in the Reagan administration, on what he thought White House staff members were doing with the FBI files on members of former Republican administrations, including himself: "I think they were trolling for trash. I think it was part of the war-room mentality." *(IHT)*

Republicans Hint At 'Darker Motive' In FBI Files Case

The Associated Press

WASHINGTON — Republicans said Sunday that there was a "darker motive" — a search for political dirt — in the White House perusal of FBI files. Democrats warned of an election-year witchhunt.

Representative William Clinger, Republican of Pennsylvania, who has led the House investigation into the White House's obtaining of more than 400 FBI background summaries, said he was skeptical of White House explanations that it was merely a bureaucratic mistake.

"Was there a darker motive here?" he said on CBS, stressing that the two White House employees involved in the late 1993 incident were political operatives, not civil servants.

"I don't think it was just a joy ride, looking through people's lives," said Kenneth Duberstein, White House chief of staff under President Ronald Reagan and one of the former Republican officials on the list, said on ABC. "I think they were trolling for trash."

But administration officials said there was no evidence that the files were used for political purposes, and rejected demands, some from Democrats, that the White House security chief, Craig Livingstone, should be dismissed for his part in requisitioning the files.

"I don't think you fire anybody or destroy anybody's life without evidence," the White House chief of staff, Leon E. Panetta, said on CBS. "Too much is done on the basis of innuendo and speculation."

Senator Paul Simon, Democrat of Illinois, suggested that Mr. Livingstone, who is now on paid administrative leave while an investigation is under way into how he obtained the files and what use he made of them, should be fired. "Someone okayed all these files coming over, and someone should be fired for that," Senator Simon said.

The FBI files issue dominated the Sunday news programs after a week in which both the House and the Senate held hearings on the issue and Attorney General Janet Reno asked the Whitewater special prosecutor Kenneth Starr to look into whether any laws were broken.

The White House has contended that Mr. Livingstone and his aide Anthony Marceca obtained the FBI background summaries of former Reagan and Bush administration employees to update lists on White House pass-holders.

"There is as yet not a shred of evidence that these files were requested out of political motivation," Jack Quinn, White House counsel, said on ABC, promising full cooperation in the investigation. "There is no one in this country who is more determined to get to the bottom of it, and who is more angry about what happened, than the president of the United States."

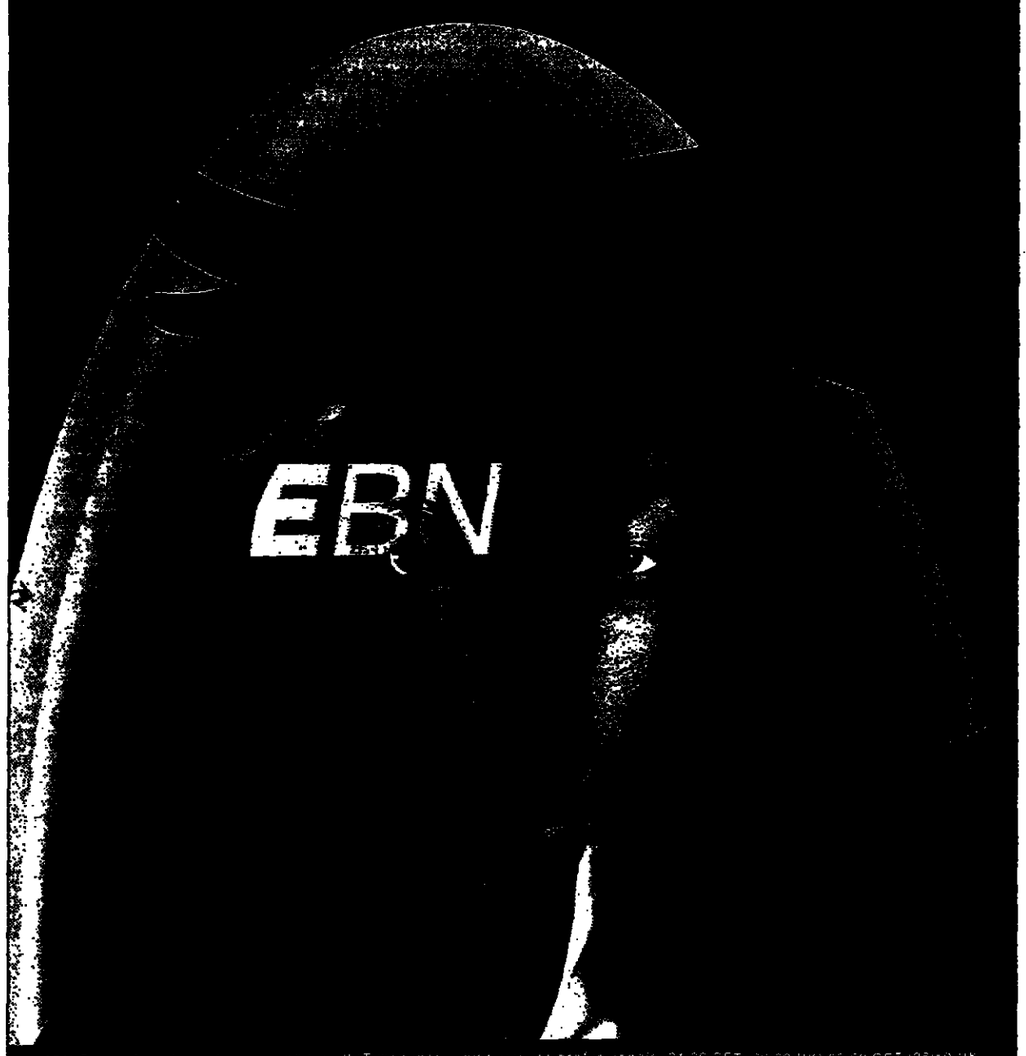
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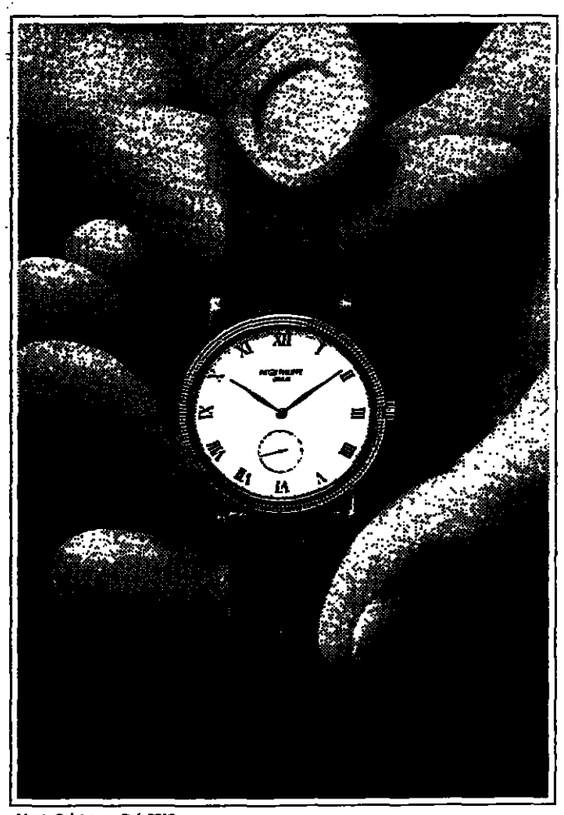
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ASIA/PACIFIC

Indonesia Party in Turmoil

Sukarno's Daughter to Fight Ouster as Chief

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia's most prominent political opposition figure, Megawati Sukarnoputri, has been ousted from her party's leadership by dissidents, but she said Sunday that she would ask the courts to reinstate her.

With the blessing of the Indonesian government, the dissidents reinstated Mrs. Megawati's predecessor, Surjadi, as chairman of the Indonesia Democratic Party at a meeting Saturday.

On Sunday, Mrs. Megawati spoke at a rally of about 3,000 people who were guarding party headquarters in an effort to keep out Mr. Surjadi, and said her lawyers would challenge the legality of the party congress.

Mrs. Megawati said the meeting, held in Medan, Sumatra, was marked by "frauds and counterfeits" and violated party rules and Indonesia's constitution. The National Commission on Human Rights also expressed concern about the government's handling of the party feud, describing it as "out of normal."

Mrs. Megawati, 49, was elected in December 1993 to lead the party after Mr. Surjadi was himself removed by the government. She is the daughter of the late President Sukarno, Indonesia's independence leader.

A demonstration by about 5,000 of her supporters on Thursday ended in bloodshed when the military stepped in. At least 128 people were reported hurt, and the police arrested 73 people.

On Sunday, Mrs. Megawati asked her supporters to maintain peace and order.

"Let us show that we love peace above all, because for that, this republic was founded," she said.

Dozens of police, soldiers and marines, with armored cars and water cannon, kept watch on her supporters at the headquarters Sunday, but there was no violence.

Without the position of party leader, Mrs. Megawati would not have legal standing to run for president in elections scheduled for 1998, and her supporters said her political options were limited.

The reinstated party chairman, Mr. Surjadi, said he hoped to keep Mrs. Megawati in a prominent position in the party, but her supporters said she would not accept a compromise.

In recent weeks, Mrs. Megawati, 49, has raised an increasingly vocal challenge to the leadership of President Suharto, who has ruled Indonesia since taking power from Mr. Sukarno in 1966.

In six presidential elections, he has been the only candidate of all three government-sanctioned parties, including that of Mrs. Megawati.

True opposition parties are not allowed in Indonesia, and Mr. Surjadi said Saturday he did not want his party to become "the enemy of the government."

Mrs. Megawati had been leading the party in that direction, threatening last week to mobilize her supporters and saying that if she chose, she could paralyze the country by bringing millions of people into the streets.

But the demonstration Thursday sobered party leaders. "It was a shock," said Laksamana Sukardi, the party's treasurer and a Megawati loyalist, on Friday.

"We need to pause and save some logistics and energy. We don't have anything. We don't have money. We don't have access to the media. We don't have tanks. We don't have barbed wire."

He said Mrs. Megawati's choices were now limited. "I think there are two options now: to gracefully withdraw or to face them head on," Mr. Laksamana said.

He said a head-on confrontation might be quixotic. "The force that we are challenging is too huge. I don't see a chance to succeed at this time."

But he said he did not expect Mrs. Megawati simply to accept defeat. "A graceful withdrawal would make a lot of grass-roots supporters disappointed, and they might have to wait for a generation or two for true democracy," he said.

Mr. Suharto, who is 75, has not said whether he intends to run again for president, and Mrs. Megawati's challenge comes in the context of growing speculation about his plans and about his possible choice of a successor.

"After 30 years of relatively stable rule, no one is sure that the transition is going to be accomplished with stability," said Jeffrey A. Winters, an associate professor at Northwestern University who is an expert on Indonesia.

"There is no institutionalization for change, which is what makes investors nervous."

Though he has brought increasing prosperity to this nation of 190 million people, Mr. Suharto has maintained tight control over its press and political system.

His monopoly on power has fueled opposition and created an opening for an opposition figure like Mrs. Megawati, who has attracted a following primarily because of her name. *(NYT, AP)*

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Shaky Munir/Agence France-Presse

Sheikh Hasina taking the oath of office as Bangladesh's prime minister on Sunday from President Biswas.

New Bangladesh Leader Urges Calm

Reuters

DHAKA — Hasina Wazed, head of the Awami League and daughter of Bangladesh's murdered independence leader, took office on Sunday as the country's new prime minister and called for calm amid political strains.

President Abdur Rahman Biswas administered the oath of office to Sheikh Hasina, 11 ministers and 8 state ministers at the Presidential Palace.

She took over the country's highest executive post 21 years after the Awami League was ousted from power in a military coup in which her father, Sheikh Mujibur Rahman, her mother, three brothers and many other relatives were gunned down.

Sheikh Hasina and her sister, Sheikh Rehana, were abroad at the time.

The 11 ministers she named included one from the Jatiya Party, which supported her to form the government after Awami League failed to win an absolute majority in this month's elections, and eight state ministers.

"I urge all Bangladeshis to keep patience, show restraint and face any challenge with calm under any circumstances," she said immediately after being sworn in. "Our government is not essentially a government of Awami League. This is a government of consensus."

In a rare gesture in Bangladesh's political history, Sheikh Hasina was the first to congratulate the new opposition leader, a former prime minister, Begum Khaleda Zia, and sought her cooperation.

"Let us work unitedly for democracy," the official BSS news agency quoted her having said. "Once we had struggled together on the streets for democracy. Now we should make endeavors for the economic emancipation of the people by consolidating democracy."

The former prime minister reciprocated by wishing Sheikh Hasina success.

Anwar Hossain Manju, the Jatiya Party minister, said, "We have supported Awami League because Sheikh Hasina had publicly said she would run the government on the basis of consensus and reconciliation with other parties."

President Biswas invited Sheikh Hasina on Saturday to form a government after the Awami League won 146 of the 300 elected seats in Parliament in the June 12 general elections.

The Bangladesh Nationalist Party of the outgoing prime minister emerged as the principal opposition group, with 116 seats.

While Awami League deputies were sworn in on Saturday, however, Bangladesh National Party members have so far declined to take the oath of office amid allegations by their leader that the vote was rigged to ensure an Awami League victory.

"Our victory has been stolen," the defeated prime minister said, adding that she did not know when she and her deputies would be sworn in.

"We have decided to join Parliament, but I am not sure when the oath-taking would take place," she added.

Bangladeshi and international monitors said the elections were largely free, impartial and peaceful.

The 32 deputies of the third-placed Jatiya Party, including their chief, Hossain Mohammad Ershad, the jailed former president, took the oath.

President Biswas said later, "I am very happy over the continuation of democratic rule in the country."

China Puts Businesses On Notice, Name-Wise

The Associated Press

BEIJING — China has ordered 2,000 businesses to change their names, saying establishments with Western names are undermining the national culture.

"Names containing vulgar, feudalistic, bizarre and absurd content and Western-sounding color must be banned," the official English-language China Daily said Sunday, quoting a government official.

The businesses include Wuhan's Haidaochuan nightclub, whose name means "pirate ship." The government forced its rechristening as "Island Ship."

"Though some names reflect the features of Western business, they could have an adverse effect on children," the newspaper quoted the official as saying.

An entertainment center in Wuhan was made to drop the name Formosa — the 17th-century Spanish name for Taiwan — because it "harmed the national interest and dignity," China Daily said.

The newspaper said nearly 36 percent of trademarks registered by Chinese companies included Western-sounding names. It said many were trying to take advantage of the "prejudice of status-conscious people" who prefer Western goods.

The government has reviewed about 20,000 names of nightclubs, stores, restaurants and other businesses this year, China Daily said.

■ Jiang Courts Trade

President Jiang Zemin left Sunday for Spain, the first leg of a trip that also is to take him to Norway, Romania, Uzbekistan, Kyrgyzstan and Kazakhstan, Reuters reported.

China will sign agreements on economic and trade cooperation and will explore new cooperation during Mr. Jiang's visit, the official Xinhua press agency said.

BRIEFLY ASIA



Saeed Khan/Agence France-Presse

CLASH — Two Pakistan Muslim League members trying to grab a policewoman during a Karachi protest.

Rocket Barrage Kills 9 in Kabul

KABUL — Rockets hit a high school and a market here on Sunday, killing at least 9 people and wounding 25 others, hospital workers said.

The barrage ended a period of relative calm in Kabul, which has been under siege for a year by Taleban rebels fighting to install an Islamic government in Afghanistan.

The victims included a teacher and a student, killed when a rocket slammed into a high school a few kilometers from the front line between government troops and the rebels. The others died when a rocket hit a crowded market.

Government sources put the death toll at 24, but hospital workers could confirm only nine deaths. *(AP)*

Campaign Starts in Mongolia

ULAN BATOR, Mongolia — Opposition parties kicked off their campaigns over the weekend for next Sunday's elections, jazzing up promises to end economic ills with a show of rock bands, sports stars and disco lights.

The elections for the Great Hural, or Parliament, will be Mongolia's second since Communist rule ended in 1990.

The Communist Party, however, remains in power in a new form, the Mongolian People's Revolutionary Party, after winning a landslide victory in 1992 over a scattering of poorly organized opposition parties, sweeping 70 of the 76 parliamentary seats. The National Democratic Party won four seats and the Social Democratic Party two. This time, the two parties have joined forces to form the Democratic Union Coalition with two smaller parties. *(Reuters)*

Papua Rebels Report Ambush

SYDNEY — Rebels demanding independence in a remote island province of Papua New Guinea said Sunday that they had hit back at a renewed military offensive.

An Australian-based spokesman for rebels on Bougainville Island said the Bougainville Revolutionary Army had killed three soldiers in a jungle ambush on Friday, the day after the government launched "Operation High Speed."

The offensive is aimed at recapturing the 10 percent of the South Pacific island held by the rebels. It follows the collapse of an 18-month cease-fire in March and comes despite a plea by Australia, Papua New Guinea's biggest aid donor, not to wage war.

A government spokesman declined on Sunday to comment on the rebels' statement on the ambush. *(Reuters)*

For the Record

A false fire alarm on a jetliner arriving at Hong Kong from Bangkok sent passengers sliding down emergency chutes Sunday, in an evacuation that injured 13 people, the government said. It was not clear what triggered the alarm, which warned of a fire in the cargo hold of Cathay Pacific Flight 706. *(AP)*

The Indian Army was called out Sunday in the northern state of Rajasthan after 43 people died in heavy rains, pushing the nationwide toll to 326, domestic news agencies said. Soldiers rescued the marooned by boats while army helicopters dropped food packets to residents stranded on roofs. *(AFP)*

More than 5,000 people attended the third consecutive week of meetings Sunday outside the gate of Burma's opposition leader, Daw Aung San Suu Kyi. *(AFP)*

VOICES From Asia

Hasina Wazed, as she was sworn in as prime minister of Bangladesh: "My first job will be to restore peace and political stability for rapid economic development." *(AP)*

Neil McCabe, chief superintendent of the Commercial Crime Bureau of the Hong Kong police, describing a new phenomenon called "emigration fraud": "We've had a number of cases recently where people decide to emigrate and want to make a nice little nest egg for themselves. It's usually a business with a history of 10 years or more which is a family affair, well run and well established. They up their purchases on credit, get rid of their stock while the checks are waiting to be honored and then the company closes overnight. In a lot of these cases the closure coincides with a long weekend. They disappear and head off for pastures new." *(Reuters)*

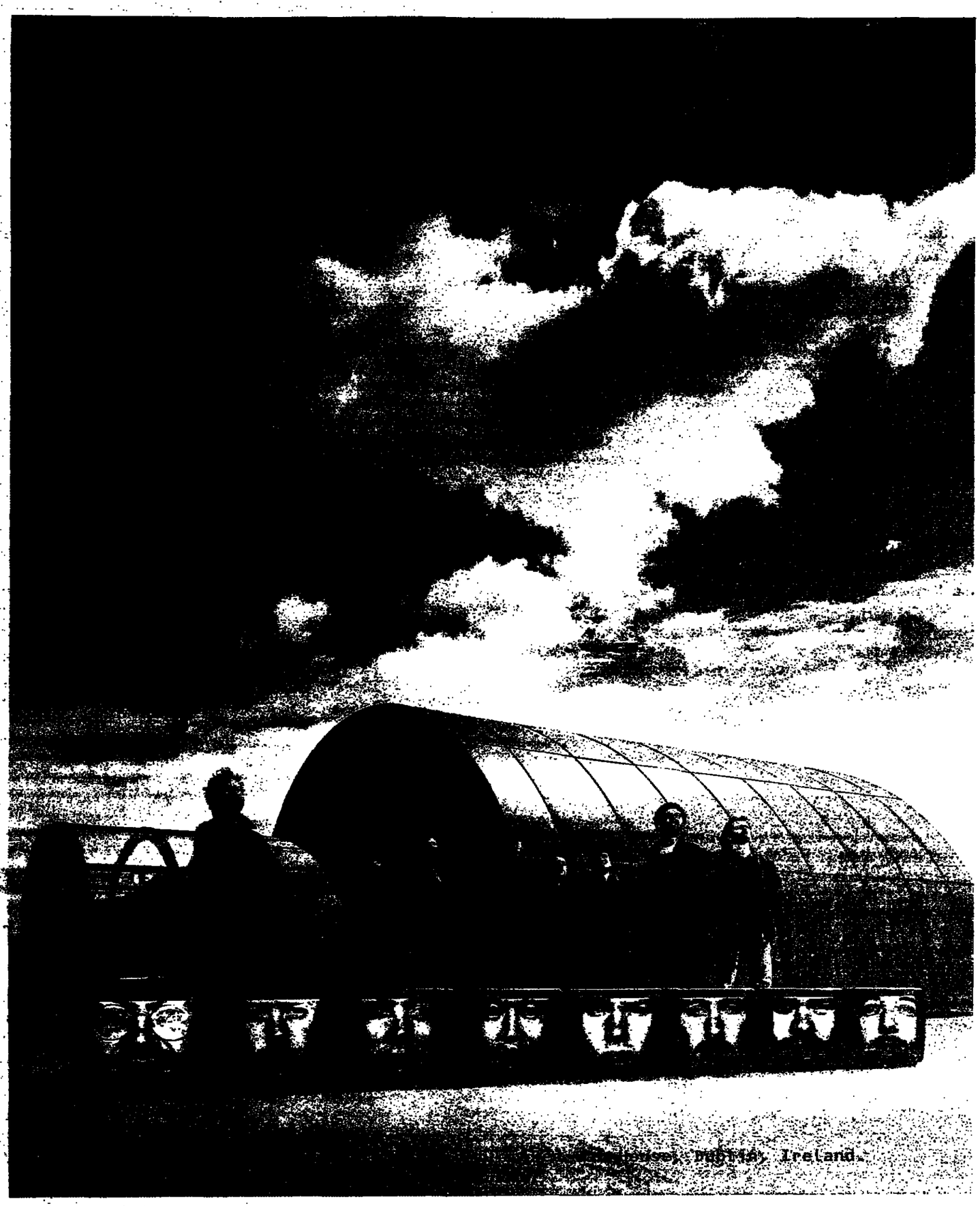
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EUROPE

Pressure Builds to Weaken EU National Veto Rights

Danger of Paralysis Seen in Expanded Union

By Tom Buerkle
International Herald Tribune

FLORENCE — Europe's battle over beef may be over, but the war over national veto rights has just begun.

Britain's obstruction of European Union business during the past month because of the beef dispute highlighted the bloc's most-glaring weakness, namely, the ability of any of the 15 EU governments to obstruct common actions when they believe vital national interests are at stake.

Unless the union can agree to some fundamental changes quickly, the possibility for paralysis could become limitless when the Union takes in as many as 12 new members in Eastern and Southern Europe.

Mindful of that prospect, several leaders expressed the hope that the beef affair would act as a catalyst for the negotiations on EU reform now getting under way, persuading governments to accept greater use of majority voting and to allow more policy initiatives that do not involve all members.

"We will have to take qualified majority voting to the maximum to avoid this kind of boycott," said Prime Minister Jean-Luc Dehaene of Belgium.

But the lingering bitterness between Prime Minister John Major and his partners and the enduring belief of most EU governments that national sovereignty must be safeguarded in vital areas continue to weigh against radical reform.

Mr. Major, as usual, was quick to rule out any willingness to dilute Britain's veto power.

"Each of the members of the European Union is an individual nation-state," he said, "and they can't just be told in important areas that they are going to tag along behind the EU when it is not in their national interest to do so."

He also bristled at the suggestion of Mr. Dehaene and Goran Persson, the Swedish prime minister, that Britain would pay a heavy political price for its obstruction tactics. "If anyone thinks they can threaten us in that fashion, they're in for a very nasty shock," he said.

President Jacques Chirac lent Mr. Major the most support, a fact that was not surprising given that it was a previous French president, Charles de Gaulle, who established the EU veto right 30 years ago by blocking agricultural reform efforts.

Mr. Chirac said he was not shocked by Mr. Major's obstruction.

Although he renewed his support for more majority voting, he said France would agree only if the national veto remains and if voting weights are adjusted to give larger states a greater say.

Meanwhile, Costas Simitis, the Greek prime minister, made his position clear at the meeting by renewing Greece's veto of EU aid to Mediterranean countries because of its territorial dispute with Turkey.

Mr. Major, as usual, was quick to rule out any willingness to dilute Britain's veto power.

For Prime Minister John Bruton, who will have to find some common ground in the next six months when Ireland holds the EU presidency, a realistic solution may lie more in modifying behavior than in sweeping constitutional changes. Mr. Major failed to win a better beef deal because of his tactics, he insisted, a view shared publicly by almost everyone but the British.

"It's important to learn from this experience that this approach does not work and won't work in the future, and if that lesson is learned, there may not be the need to make the sort of treaty changes," Mr. Bruton said.

The Irish leader also sought to play down expectations for quick resolution of the other issues at stake in the reform negotiations, such as improving EU cooperation on foreign policy and crime fighting.

Although the leaders called for a draft treaty to be ready by the bloc's next regular summit meeting in Dublin in December, Mr. Bruton cautioned that the reform report prepared by the outgoing Italian presidency contained "more a list of problems" than potential solutions.

Nevertheless, German officials, who are leading the drive to bypass veto powers, took a more optimistic view.

Werner Hoyer, Bonn's negotiator in the reform talks, noted that Britain had relied on several EU mechanisms it has long opposed to resolve the beef crisis.

It had used majority voting to lift the export ban on bull semen, tallow and gelatin.

It relied on the European Commission, the EU executive agency reviled by Britain's Euroskeptics, to win a framework agreement for the further easing of the export ban.

And it has used the European Court of Justice, normally seen by London as an intrusion upon national sovereignty, to press its case.

Reinforcing those three EU institutions are "just what we want," Mr. Hoyer said.

European Union leaders fail to back a $1.5 billion public works program aiming at the creation of jobs. Page 11.



Michel Lipchitz/The Associated Press

Prime Minister José María Aznar of Spain applauding as the British prime ministr, John Major, stood by during EU photo session at the Florence summit.

Soldiers on Patrol: Belfast Is 'Getting Back to Normal'

By James F. Clarity
New York Times Service

BELFAST — After nearly 22 months of peace, with only a routine presence of security forces on the streets of Belfast, British soldiers are patrolling again, drawing beads with their automatic rifles on roofs and down alleys where guerrillas of the Irish Republican Army, or Protestant paramilitaries, may be hiding.

The Royal Ulster Constabulary, or police force, has restored dozens of checkpoints around the city in recent days, blocking many streets with its armored Land Rovers to check cars for bombs and bombers, weapons and guerrillas, slowing traffic and turning the 20-minute run to the airport into an hour.

On Wednesday night, one army patrol — four young soldiers in camouflage uniforms — stalked slowly past the Andersonstown Road headquarters of Sinn Fein, the political wing of the IRA, which flaunts a large Republic of Ireland flag on its protective wall.

"We're getting back to normal," a Roman Catholic woman said, her voice tinged with bitterness.

"The real people are really praying," said her friend, who had just attended, with several thousand others, a morning prayer novena for peace at the Clonard Monastery in the Catholic part of West Belfast.

They seemed to reflect the feelings of most of the people of Belfast, where most of the killing in the quarter-century of sectarian violence has occurred.

Catholics and Protestants are afraid that the city, the capital of the predominantly Protestant British province of Northern Ireland, is again edging onto a wartime footing.

In part, the show of security is to warn the population that a return to guerrilla violence is possible, and to motivate people to press the politicians and paramilitaries to negotiate.

Last Thursday, the chief constable, Sir Hugh Annesley, who is head of the 28,000-member security force, including 17,500 army troops, said that a resumption of violence here by the IRA was "possible."

Referring to the overwhelmingly Catholic guerrilla organization, he added:

"If the Provisionals were to attack in Northern Ireland, there is no doubt whatsoever that there would be an immediate and without warning retaliatory attack by Loyalist terrorists both within Northern Ireland and within the Republic of Ireland."

His words, and the enlarged street presence of the security force, which has still not reached the level existing before the cease-fire, has heightened the tension in Northern Ireland, where the IRA has not exploded any bombs or tried to shoot any police officers or soldiers of Protestant paramilitaries since they declared a cease-fire on Aug. 31, 1994.

The security buildup followed the IRA bombing a week ago of a shopping center in Manchester, England, in which more than 200 people were wounded.

The IRA admitted the bombing, saying that "we sincerely regret the injuries to civilians," and adding, "We are still prepared to enhance the democratic peace process."

But it gave no indication that it was preparing to restore its cease-fire, which it first broke in February with a series of bomb attacks in London.

A restoration of the cease-fire is demanded by the British and Irish governments if Sinn Fein is to gain a place at the new broad-based peace talks that began in Belfast last week.

EU Sidesteps Boutros Ghali Issue

New York Times Service

FLORENCE — Leaders of the 15 European Union countries meeting here over the weekend avoided confronting the United States directly over the Clinton administration's announced intention to block a second term for Boutros Boutros Ghali, the United Nations secretary-general, whom many of them support.

President Jacques Chirac of France, who has said he backs Mr. Boutros Ghali's re-election, said curtly Saturday that the issue would not be on the agenda of the meeting next week of leaders of seven industrial democracies, including President Bill Clinton.

"I have no intention of turning that into a UN election rally," Mr. Chirac said.

But Mr. Boutros Ghali, whose term expires at the end of this year, has been invited to the meeting in Lyon, and aides to Mr. Chirac said that the UN secretary-general would be given an opportunity to explain his plans for revamping the organization's bureaucracy.

The United States says it dearly wants an overhaul of the UN administration, which it sees as expensive and overblown, but Clinton officials have said they believed Mr. Boutros Ghali, an Egyptian diplomat, was not up to the task.

European foreign ministers discussed Mr. Boutros Ghali's future, including suggestions that he might serve an additional one or two years rather than another full five-year term, but decided not to take a position for the time being, according to several officials.

"I think we should try to evaluate the American position more thoroughly," said Eric Derycke, Belgium's foreign minister.

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BRIEFLY EUROPE

Basque Group Calls Cease-Fire

MADRID — The armed Basque separatist group ETA proclaimed a one-week cease-fire on Sunday and called on Spain's conservative government to join talks leading to independence of the country's Basque provinces.

ETA asked the government to respond to a political proposal it made last year when it took responsibility for a failed assassination attempt against Prime Minister José María Aznar, who at the time of the car bomb attack was opposition leader.

The government made no immediate comment on ETA's statement, which was published in Sunday's edition of the radical Basque newspaper Egin. *(AP)*

2d British Hacker Is Charged

LONDON — British police said on Sunday they had charged a second man with hacking into U.S. military computers months after the arrest of a teenage whiz kid accused of gaining access to messages from U.S. agents in North Korea.

Mathew Bevan, a 21-year-old technician, has been charged with conspiracy to gain unauthorized access to computers and conspiracy to cause unauthorized modification to computers.

A spokeswoman for Scotland Yard said both charges related to computer systems operated by the U.S. military and the Lockheed missile and space company. Mr. Bevan's co-defendant, Richard Pryce, was charged last year with using a computer in his bedroom in north London to tap into several U.S. Defense Department systems over a period of seven months. *(Reuters)*

In U.K. Poll, 59% Want EU Vote

LONDON — Fifty-nine percent of Britons want a referendum on all aspects of their country's membership in the EU a public opinion poll out Sunday suggests.

The NOP poll, for the Sunday Times, found that only 24 percent of the 1,580 people surveyed on Thursday were against a mass consultation of this kind.

Twenty-two percent said they wanted to see Britain get out of the 15-nation grouping, which is moving toward a single European currency. But 27 percent were in favor of greater European integration. *(AFP)*

Calendar

European Union Events for Monday:

LUXEMBOURG: Agriculture ministers meet.

TAIWAN: Martin Bangemann, EU industrial affairs commissioner, is on an official visit to Taiwan.

LUXEMBOURG: EU ministers meet with ministers from Malta and Cyprus.

Sources: Agence Europe, AFP

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INTERNATIONAL

Albania's Post-Election Cloud Hangs Heavy

By Christine Spolar
Washington Post Service

TIRANA, Albania — Albania's governing party is betting the world will turn a blind eye to the most criticized elections in post-Communist Eastern Europe and has begun forming a government for what essentially will be a one-party state.

The Democratic Party of President Sali Berisha has "no plans" to try to placate Western observers who alleged fraud, tampering and intimidation in first-round balloting May 26, as well as problems with a makeup round of voting June 16, the party chairman, Tritan Shehu, said last week. When all the votes are counted, Mr. Berisha's party will hold at least 120 of the 140 seats in Parliament.

"Elections again?" Mr. Shehu asked. "After four years, yes. Now, no. We had our vote. And we are sure, *in time, that Albania will be seen in* the right way."

In the last month, Albania has surfaced as one of the most controversial examples of democracy in Eastern Europe. Those who equated transition to free markets with the emergence of a free society in this former Stalinist state were caught short by a political free-for-all that broke out during the May parliamentary elections and by the stance of the governing party.

The government has returned to business as usual, and the state-run media have mounted a smear campaign against the monitors who called the election into question.

Albania now poses an indelicate question: What do you do when the Democrats you trust haven't been elected democratically? "Berisha's halo is off with this election," a foreign diplomat said. "There should be some costs with that. But he thinks whatever comes his way can be dealt with. And the way this election has gone so far, he might be right."

Spartak Ngjela, a political prisoner for 10 years under Albania's Communist dictatorship who is now a lawyer with no party affiliation, voiced similar disillusionment. While maintaining that "there's no way" he could support the Communists" and that "morally the Democrats should win," Mr. Ngjela added: "We also have a principle that we cannot deny: *In order to win morally, you should* operate within the law."

This election season is Albania's latest along a bumpy, uncertain journey toward an open society. This country was so isolated during 40 years of Communist rule that no private cars or foreign travel was allowed. Now, four years after the first non-Communist government came to power, donkey carts here in the capital are giving way to used Mercedes-Benzes, Toyotas and Fiats purchased from roadside dealers. Trees have been chopped down to make way for cafés and cosmetics kiosks.

To many familiar with Albania's past, the country's political changes have been startling — yet incomplete. This flawed election, analysts here said, shows the marks of political immaturity, a weak understanding of *the need for democratic institutions* and the deep insecurity of the Democratic Party and Mr. Berisha, who came to power in 1992 on the strength of his anti-Communist stance.



Andrew Cannon/The Associated Press

RALLY ROUND THE FLAG — Keshia Thomas, 18, shielding a man being beaten by anti-Ku Klux Klan demonstrators in Ann Arbor, Michigan, after he was seen wearing a Confederate flag on his jacket at a Klan rally.

CIA-Backed Iraqis Again Seek a Way To Depose Saddam

By John Lancaster and David B. Ottaway
Washington Post Service

In an office suite on a quiet street in Amman, Jordan, an exile group called the Iraqi National Accord is plotting and struggling to carry out a new CIA-backed plan to topple President Saddam Hussein of Iraq.

Now equipped with a powerful radio station and claiming contacts at high levels of the Iraqi military, the group is trying to promote a coup by officers close to President Saddam, according to American and Saudi officials and members of the organization.

Besides operating the radio station, which can reach most areas of Iraq, the group has aided the defection of several high officers, including a former army chief of staff, and it claims to be using captured military field radios to stay in contact with Iraqi Army units.

"We think that any uprising should have as its very center the armed forces," said the group's leader, Ayad Alawi, a physician and former confidant of President Saddam who fled to London in 1971.

"We don't preach civil war," Mr. Alawi said. "On the contrary, we preach controlled, coordinated military uprising supported by the people that would not allow itself to go into acts of revenge or chaos."

The outlook is far from certain, however. The opposition movement is severely splintered. Similar efforts have failed miserably in the past. Six other radio stations are broadcasting anti-Saddam messages.

President Saddam is nothing if not a survivor, having held on to power under the constant, crushing pressure of international trade sanctions and ostracism that followed the Iraqi invasion of Kuwait in 1990 and the ensuing Gulf War.

"The opposition is more active in a kind of very diffuse way than it has ever been," said a U.S. intelligence officer. "There are all sorts of opponents to the regime."

"But they don't coalesce," the American added. "They have different agendas, different constituencies — both inside and outside Iraq. They're really more gnats and mosquitoes to Saddam rather than anything serious."

But the United States, among others, is taking Mr. Alawi's group seriously. In January, President Bill Clinton authorized $6 million in covert aid to support its activities, according to Iraqi opposition sources familiar with the plan of the Central Intelligence Agency.

Asked over the weekend about assistance to the Iraqi opposition group, a CIA spokesman declined to comment. An administration official also refused to talk about a covert operation.

The amount of money is in addition to a similar or larger sum provided by Saudi Arabia, Kuwait and several other Arab countries, according to a Saudi official and opposition sources.

"It's not a secret that a few people are working to create a climate," a government official in Saudi Arabia said last month, alluding to efforts for a coup. "We are not asleep, we are not sitting on our fannies doing nothing. Things are happening."

Previous efforts to overthrow the Iraqi leader centered largely on another opposition organization, the Iraqi National Congress, formed with CIA backing in 1992 as an umbrella group for Sunni Muslim, Shiite Muslim and Kurdish factions, including the National Accord.

The United States supported the new group in hopes of encouraging a broad-based uprising in which rebellion would spread from resistance groups to army units. But the INC, based in Kurdish-controlled northern Iraq, has been paralyzed by internal fighting, including virtually a civil war between the two main Kurdish factions.

The National Accord, formed with Saudi backing in 1990, has sought to encourage a quick coup by generals that would, in effect, decapitate the regime but leave the rest of Iraq intact.

At a meeting in Saudi Arabia in mid-January, American, British, Saudi and Jordanian intelligence officers agreed that the center of operations for the Iraqi opposition would become Amman and that the newly anointed group would be used as "the magnet" to attract Iraqi military and intelligence officers into defecting or, better yet, taking action against President Saddam, according to Iraqi opposition sources.

"The No. 1 criteria we chose was credibility," said the Jordanian information minister, Marwan Muasher, speaking in Washington last week. "The INC has no credibility in Iraq or in Jordan."

In late January, President Bill Clinton signed a new "finding" authorizing the $6 million project to finance the more powerful opposition radio station and to pay for the operations out of Amman.

Still, some intelligence officials remain skeptical.

'Given President Saddam's vigilance and the fear surrounding him, many analysts believe no amount of maneuvering can influence events inside the regime. According to this view, change could come only after some drama like the death of President Saddam of natural causes or perhaps assassination by a relative.

Q &A / Eduardo Frei

Chile's Economic Vision

President Eduardo Frei of Chile signed an agreement for closer economic and political ties with the European Union at the EU summit meeting in Florence on Friday. He spoke there with Tom Buerkle of the International Herald Tribune.

Q. The government is criticized on the left that the deepening of democracy is going too slow; some on the right say it is going to fast. Is this a sign that Chile is still having difficulty coming to grips with the legacy of the Pinochet era?

A. *If some people on one side say we're* going too slowly and some say we're going too fast, then really we're going at the right speed. The way we have managed our changes — social, economic, political — shows that we have taken the right decisions and that democracy has come to Chile to stay.

Now Chile lives in a state of law. The only remnant of the past that still exists is the presence of institutional senators, who finish their period in office next year. Even matters of defense are nowadays decided by civilians, in cooperation of course with the military.

•

Q. How has Chile dealt with the crisis that hit the emerging markets last year?

A. Last year we had a rate of growth of 8.5 percent, which was even higher than the rate of inflation, something which has not happened in the last 30 years. We have the privilege in Chile of accepting new investments when they are productive, when they open markets for us in the rest of the world and give us new technology. We only restrict speculative investment. I know this is contested in some quarters, but we are determined to carry out this policy. That's why we managed to protect ourselves from last year's crisis.

Q. How do you view the prospects for further economic integration in Latin America?

A. What matters is that we have had a great trade impulse in this regional market.

For example, Chile's trade with Mercosur [which groups Argentina, Brazil, Paraguay and Uruguay] and with Latin America in general has a value which is almost the same as the value of our exchanges with the United States. And the majority of exports within Mercosur are exports of manufactured products, whereas our trade with industrialized countries continues to be basically the export of basic commodities.

Q. Does your country have to choose a preferred partner between the Latin American trade bloc, accession to the North American Free Trade Agreement, East Asia with the Asia-Pacific Economic Cooperation forum, or better trade ties with Europe?

A. Our first priority is Latin America and Mercosur. But our case is different than Mexico, which trades mostly within NAFTA. We have a much more balanced list of *partners. Thirty percent of our trade is with* the Asian countries; 28 percent of our trade is with the European Union and the rest falls within the Americas.

When I come to Europe to sign an agreement, I don't go to each individual country. I come to the European Union. Chile within Mercosur will fall into a similar situation. Foreign investors try not just to invest in Chile but they look at investment in Latin America. They want to take as large a market as possible. In this way, regional markets can help development.

Q. What are your hopes, and how important is it for Chile, to get into NAFTA?

A. *NAFTA is important because it gives* us access to a very large market. But even before that, we have an agreement with Mexico dating from 1990 which allows us to sell 90 percent of our products without any duties. And we are looking forward to signing this October a similar bilateral agreement with Canada.

We're looking forward to the conclusion of the electoral campaign in the United States so there can be an agreement between the executive and Congress, and an agreement can be signed with Chile.

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Q. Are you concerned about U.S. trade policy? The administration has not sought authority for Chile's entry to NAFTA, it has pulled out of or delayed agreements on telecommunications and financial services at the World Trade Organization, and now there is the dispute over the Helms-Burton bill to penalize countries that trade with Cuba.

A. We believe in free trade, and the United States has been a great impulse for free trade in the world. We are definitely against any unilateral restriction to any form of world trade. And from that point of view, we are totally against the Helms-Burton amendment. We also think that in solving the Cuba problem, *it has* been totally ineffective.

Gadhafi Thumbs His Nose at UN

Libyan Lands in Cairo for Arab Meeting Despite Flight Ban

By Douglas Jehl
New York Times Service

CAIRO — To show Arab solidarity, Colonel Moammar Gadhafi did not let even the United Nations stand in his way.

All aircraft are strictly prohibited from flying to and from Libya under a ban imposed by the United Nations four years ago because of Libya's refusal to hand over suspects in the bombing of a Pan Am plane over Scotland in 1988. That has left Libyan travelers — including Colonel Gadhafi — with no option but to resort to long overland treks. But Saturday, Colonel Gadhafi simply defied the ban. Having given no previous indication about whether he would attend an Arab summit meeting here, he climbed aboard a Boeing 727 in Tripoli and ordered it eastward.

Air traffic controllers in Egypt were surprised to see the aircraft appear unannounced on their radar screens, but they allowed it to land at Cairo International Airport. And Colonel Gadhafi, still the maverick among Arab leaders, sped into town scant hours before the meeting's opening to join other heads of state. Libya has flouted the UN ban once before, with a flight in April of Muslim pilgrims to Saudi Arabia that the Security Council denounced as "totally unacceptable."

AMERICAN TOPICS

Beware a Blast From the Future

Our lives are getting faster-paced and more stressful, but also better in many ways. Just how will they change over the next decade? The Futurist magazine compiled a list of the innovative products most likely to alter the way we live. The list *includes these products:*

Smart Materials: After an earthquake, materials in buildings or bridges could change color indicating serious stress; they could even send a warning signal to a central operator. Auto parts could similarly warn when they are nearing breakdown.

Never-Owned Products: As people tire of the incredibly rapid obsolescence of home computers and other electronics — a PC bought eight years ago for $3,000 may now fetch no more than $50 — leasing arrangements will grow in popularity.

Home Health Monitors: Simply breathe into a tube, or deposit a bit of urine, and the machines will check your cholesterol level, your hormones, your liver and much much more.

And the leading new technology, say authors Stephen Millett and William Kopp, will be "genetaceuticals," the product of a combination of genetic research and pharmaceutical responses.

Not only are treatments for new illnesses likely to emerge, but people may carry smart cards containing their complete genetic makeup, which doctors would use to prescribe customized medications filling the patient's specific needs.

No Prescriptions From Nurses

For the present, however, American health care faces more than its share of problems.

A major new survey has found that many American nurses say they could not recommend the institutions where they work to a family member.

The survey, preliminary results of which were made public by the American Nurses Association, found that nearly 4 in 10 nurses said they would not endorse their own facilities to a relative, and nearly 6 in 10 said the care where they worked was substandard.

Among the reasons cited: More patients are being assigned to each nurse, according to two-thirds of respondents; nurses are given less time to teach patients, said 74 percent of those surveyed; and patients are sicker (according to 75 percent of those polled) and have shorter stays in hospitals (66 percent).

Short Take

Lichen, the moss-like growths common on rocks and trees, are useful to environmental scientists because of their *great sensitivity to air pollution.*

Unfortunately, in North America, pollution appears to be getting the better of them. Consisting of a fungus and an alga living in symbiosis, lichens are highly weather-resistant. But lacking a proper skin, they directly absorb not only water and air but also industrial pollutants like zinc, lead and cadmium. Up to 80 percent of native species have vanished, according to scientists at the University of Wisconsin at Madison. And at least a dozen sites in North America are now classified as "lichen deserts."

International Herald Tribune

Kamsky's Blunder Hands A Chess Victory to Karpov

The Associated Press

ELISTA, Russia — Anatoli Karpov of Russia defeated Gata Kamsky in the ninth game of the disputed world chess title match, giving Mr. Karpov a solid four-point advantage.

Mr. Karpov has won three of the last four games against Mr. Kamsky, a 22-year-old Russian who defected to the United States in 1988 and lives in New York.

Mr. Karpov leads with 6.5 points to Mr. Kamsky's 2.5.

Mr. Kamsky blundered a key pawn on the 32d move of the game on Saturday, leaving his king exposed to a dangerous attack by Mr. Karpov. Mr. Kamsky, who was playing black, then resigned on the 41st move.

The first player to reach 10.5 points in the 20-game series wins the World Chess Federation title plus a prize of $937,500.

The loser gets $562,500.

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EDITORIALS/OPINION

Herald Tribune INTERNATIONAL
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A New Secretary-General

Boutros Boutros Ghali has provided honorable and competent leadership as secretary-general of the United Nations these last five years, but it is time for him to turn the job over to a more dynamic executive who can reform the organization and help restore its credibility with Americans.

The Clinton administration, for those reasons and a less savory desire to deny Bob Dole a campaign issue, has informed Mr. Boutros Ghali that it will not support his candidacy for a second term. Since the selection of a secretary-general requires the agreement of the five permanent members of the Security Council — China, France, Britain, Russia and the United States — Mr. Boutros Ghali has little hope of keeping his post unless the administration changes its view.

He deserves a graceful exit, and gratitude for the good things he has done. More than most previous secretaries-general, he has spoken for the weakest and poorest UN members, prodded consciences and promoted global conferences on women's rights and the environment. He worked hard to carry out the often ill-defined mandates of the Security Council, and made the United Nations a helpful partner in the American intervention in Haiti.

Some of the failures on his watch were more the result of poorly designed missions than of ineffective leadership by the secretary-general. Mr. Boutros Ghali, an experienced Egyptian diplomat, took office when too much was expected of a post-Cold War United Nations. He was unfairly blamed when peacekeeping operations proved too ambitious in Somalia and too confused in Bosnia. Nor was his tenure helped by the stubborn refusal of Congress to pay the UN dues owed by Washington, which has contributed to a severe budget crisis at the international organization.

But Mr. Boutros Ghali's performance has been uninspiring in important areas. Morale within the United Nations has been soured by his secretive management style, a reluctance to delegate authority and headlines too often provoked by his off-the-cuff gaffes. Most significantly, he moved slowly to streamline the United Nations' creaky management and financial practices, underestimating the loss of political support for the organization in Washington and across the United States.

Some of the American opposition to the United Nations and to Mr. Boutros Ghali is purely partisan and campaign-driven, and it has come with inexcusable personal ridicule of him. But there is a more thoughtful opposition grounded in a loss of confidence in the United Nations. That is based in part on the organization's bloated bureaucracy and its history of careless and wasteful financial management. Pressed by Washington, Mr. Boutros Ghali has adopted a no-growth budget and other fiscal reforms, but he has shown little of the determination required to carry out a comprehensive reform of the United Nations, and none of the salesmanship needed to overcome American doubts.

There is an impressive roster of potential successors, including Kofi Annan of Ghana, the chief UN peacekeeper, and Moeen Qureshi of the World Bank, who is a former prime minister of Pakistan. Three notable women deserve consideration, although none are avowed candidates: Sadako Ogata of Japan, the UN High Commissioner for Refugees, Gro Harlem Brundtland, Norway's prime minister, and President Mary Robinson of Ireland. It would be salutary if the Security Council took time and care in its selection process instead of conducting the kind of unseemly scramble behind closed doors that has been its habit in selecting secretaries-general.

On assuming office five years ago, when he was 69, Mr. Boutros Ghali assured well-wishers that he would not seek a second term. The Clinton administration was prepared to extend his service for one year, which he rejected. He ought to honor his assurances and exit with dignity.

—THE NEW YORK TIMES.

Cleaning Up the Kremlin

Not too long ago, Boris Yeltsin proclaimed Pavel Grachev "the best defense minister" Moscow ever had. On Tuesday, President Yeltsin fired him.

In his 1994 memoirs, Mr. Yeltsin described his longtime bodyguard Alexander Korzhakov as "decent, intelligent, strong and courageous" and added that "Korzhakov never leaves my side." Mr. Korzhakov rose to a position of extraordinary power in the Kremlin, feared by nearly all. On Thursday, Mr. Yeltsin fired him, too.

The high drama of the past week provided a disquieting reminder that Russia, despite having carried off a reasonably fair first-round election on June 16, remains far from being a stable, entrenched democracy. The latest firings, of four top hard-liners altogether, were carried out amid feverish warnings of averted coups d'état, bloodletting and civil disorder. It was difficult to separate theater from reality, but, given Russia's recent history, such talk cannot be dismissed.

The upheaval must be seen first in the context of Russia's preparations for a second and deciding round, probably on July 3, of a presidential election that will have tremendous bearing on the nation's future. Mr. Yeltsin, who won 35 percent of the first-round vote, is desperate to expand his base, as is his Communist opponent, who polled 32 percent. If the Kremlin shake-ups continue, they could work against Mr. Yeltsin, since he has portrayed himself as the candidate of calm and stability. But if his team now remains reasonably intact, he could emerge looking firm and decisive, having purged his administration of unpopular figures who many believe have manipulated him in the past.

The firings have a larger significance as well. Those dismissed represent the losers in Russia's hard transition to a free market economy — the factories that have failed to adapt, the mines that cannot compete, the oversized military-industrial complex hungry for subsidies. They depend on the shadowy security agencies for their power, they fear democracy and they see nothing to gain from openness to the West.

So their fall from power merits some celebration, but no one should think they are gone forever. Mr. Yeltsin may still admire them. More important, these hard-liners, or men like them, will be back competing for influence because Russian society itself is so divided. If the nation stays on track, their power will continue to recede gradually, as the proportion of Russians whose prosperity is linked with freedom grows larger. A Yeltsin victory in the second round could hasten that process, especially now that the hard-line faction has been identified as electoral deadweight.

It is argued that Russia's elections are a sham, since Mr. Yeltsin would keep power whether he won or lost. He could never fire his defense minister or chief bodyguard, by this scenario, because he would need their loyalty and that of their troops if he clung on unconstitutionally. Now that scenario seems less likely. Mr. Yeltsin has thrown his hard-liners overboard, and his future — like Russia's — seems the more dependent on the will of the Russian people.

—THE WASHINGTON POST.

Other Comment

The Hong Kong Test

After 1997, Chinese nationalists will have one overriding foreign policy goal: to reunite Taiwan with the "motherland." The formula of "one country, two systems" that is meant to be applied in Hong Kong was originally devised with Taiwan in mind. If China's conduct in Hong Kong revealed it to be a fraud, then hopes of the peaceful reunification with Taiwan would be destroyed.

Fears of China in the West and the rest of Asia would intensify. That would increase hostility to China, which is already finding that some of its international ambitions — such as membership of the World Trade Organization and playing host to the Olympic games — have been thwarted by foreigners' suspicion of it. Suspicion would turn to outright animosity if it cracked down in Hong Kong. By contrast, a display of tolerance would help to defuse much of the wariness and hostility in the outside world. If the men in Beijing see that, there will be hope for Hong Kong, and for China, too.

— The Economist (London).

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Editor for Asia, Michael Richardson, 5 Canterbury Rd, Singapore 0511. Tel. (65) 472-7766. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Kronequist, 30 Gloucester Rd, Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany, T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. (069) 72 67 35. Fax: (069) 72 73 10
Pres. U.S., Michael Connn, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
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It Ought to Be an Entitlement Reform Summit

By Thomas L. Friedman

NEW YORK — *Bill Clinton flies to France this week for the annual Group of Seven meeting. Here is the speech he won't be giving there:*

Gentlemen, as we meet this year, it's clear that we have no agenda. The reason is obvious: We are moving in opposite directions on the economic front.

The U.S. is moving from what Richard Gephardt calls an era of "deficit politics," focused on reducing our huge government debt, to an era of "income politics," focused on lifting the wages and lowering the taxes of workers.

But you Europeans and Japanese are moving from an era of income politics, during which you swaddled your workers in lavish pension, health care and retirement benefits, to an era of deficit politics, in which you can't afford all these entitlement programs anymore, are trying to cut back, but your workers won't let you. I saw those protests in Germany and France on CNN.

The fact that we are moving in opposite directions is going to be a serious problem for all of us.

From the American point of view, we are deluding ourselves if we think we can go back to the Reagan era of income politics, where the government ran up huge deficits as it cut taxes and refused to cut entitlements. Unfortunately, though, my opponent, Bob Dole, is already planning to unveil a massive Reagan-like tax-cut plan, with no serious deficit reduction.

I'm just as guilty. I've been throwing out proposals for tax deductions for college tuition, assisting first-time home buyers and resisting any deep cuts in Social Security, Medicare or Medicaid. If either of us carries through on such promises, we will be headed back to the huge deficits of the 1980s.

But, as all of you know, the international financial environment that sustained the Reagan deficits of the 1980s, and made them relatively painless for the U.S. public to absorb, no longer exists. The dirty little secret of Reaganomics was that it worked, and was sustainable, because the Japanese, the Arabs and the Germans all had surplus savings that they were ready to use to buy our Treasury bills, and thereby finance our deficit, so that we wouldn't have to raise interest rates sky-high.

But times have changed. You can't save us anymore. The Japanese have their own banking crisis and have to finance their own aging population. The Arabs are broke, and the Germans are busy trying to finance their own deficit, run up by the cost of unifying East and West Germany.

As Thomas Gallagher of Lehman Brothers Global Equity Research points out, the longer we wait to downsize our entitlement programs, the costlier it will be. He says that if we Americans decided today that we wanted to put Social Security, Medicare and Medicaid on a firm financial footing that would take us well into the next century, it would require a 15 percent tax hike across the board. If we wait until the next century, it will require a tax hike triple that amount.

We all know that those are politically unsustainable numbers. Which means that we have no choice but to cut entitlements.

So here's the situation: We're all desperately in need of entitlement reform, but we American politicians are running away from it and our people are following us over a cliff. You European and Japanese leaders are at least running in the right direction.

This is going to be trouble. As Robert Hormats of Goldman Sachs International recently said about the G-7, "Our common failure to reform dramatically expanding entitlement programs is the ticking time bomb underneath us all, and the longer we wait to defuse it, the bigger the explosion will be."

G-7 summits can't change the world, but they can give us a bit more courage to face our problems, and a bit more credibility with our publics by making clear that we are all in the same boat. Let's make this the Entitlement Reform Summit — the one where we all pledge to begin defusing the "E-bomb."

Because if we don't, the result will be turmoil. We will have intercontinental conflict as we each try to suck up the other's savings, and intergenerational conflict as our children discover that they have to pay for our negligence.

The New York Times.

Damage Control Instead of an Active Clinton Foreign Policy

By Jim Hoagland

WASHINGTON — Bill Clinton has switched back to damage control as the guiding principle of his foreign policy. This is understandable as re-election strategy, but it will expose him to becoming a prisoner of events abroad.

After a spurt of bold leadership and achievement in foreign policy and trade, the administration now plays defense, trying to protect the gains that senior strategists see as a Clinton campaign advantage. New challenges that could give Bob Dole clear shots at Mr. Clinton are to be avoided.

That choice can be seen in the refusal to push the American-commanded international force in Bosnia to apprehend Bosnian Serb leaders wanted for war crimes, and in the backing away from trade conflicts with China and Japan recently.

A change that Mr. Dole has to confront in the campaign is that foreign governments now prefer to see the Clintonites returned to office. This is not a campaign year in which the Republicans can count on the friendship and support of foreigners.

This pro-Clinton sentiment is not universally felt and is rarely displayed in public (except by Germany's Helmut Kohl and Russia's Boris Yeltsin). But a nonscientific canvassing of foreign officials and media convinces me that this sentiment exists. More importantly, senior Clinton advisers also believe that it exists, and have factored it into the re-election strategy I describe as damage limitation.

Foreign governments are like big business executives in election campaigns, one Clinton adviser observed. Their open support does not gain you much, but you don't want them mobilized against you.

Motivations for this perceived foreign turnabout vary. It is largely the familiar pattern of not wanting to go through another learning experience with another new U.S. administration, even with an internationalist like Mr. Dole. How and with whom a President Dole would staff the foreign policy and security bureaucracy is a frightening mystery for many foreign leaders.

The strong attacks by the Republican congressional majority on foreign aid and involvement have also gained Mr. Clinton new sympathy abroad. I was confounded recently to hear a well-placed Arab visitor to Washington say that his government is hoping for Mr. Clinton's re-election.

This is not an obvious attitude, given the administration's open and strong support for Israel and the Republican Party's traditional ties to the global oil industry. "What we fear now is that the Republican temptation toward isolationism would force us to carry regional and global burdens that politically and financially we cannot handle," the visitor explained.

Japan offers another example. A year or so ago I clipped an opinion article written by Douglas Paal, an astute former Asia watcher in the Bush White House. His conclusion was unassailable: Japan's powerful bureaucrats, engaged in a brutal struggle with the Clintonites over trade, would do whatever they could in 1996 to ease the Democrats out of the White House.

But Mr. Clinton's lavish and deft homages to the Japanese on an April visit have soothed feelings in Tokyo. So did a deliberate decision by Washington to downplay all trade conflict in this election season.

China also benefits from this softer treatment, as the recent papering over of a dispute on copyright piracy demonstrates.

Some of the dangers of being overly protective in situations that the White House cannot control have now burst into view in an embarrassing public spat between the administration and United Nations Secretary-General Boutros Boutros Ghali over his desire for a second term.

The White House, seeing America's troubled relations with the United Nations as campaign material for Mr. Dole, has been quietly trying to force Mr. Boutros Ghali to retire by telling him that Washington would not support a full second term. The administration wanted above all to avoid an autumn argument with, and about, Mr. Boutros Ghali.

But on June 19 the Egyptian publicly declared for a new term, as a way of forcing Washington's hand. He now provokes the public debate that Mr. Clinton hoped to avoid.

The problem with playing defense is that it gives initiative and opportunity over to others. Staying ahead requires each new challenge to be attacked and played on its own merits. Coasting, whether in Bosnia, China or at the United Nations, ensures that the unexpected will dominate the field.

The Washington Post.

American Business, Too, Needs the Chemical Weapons Pact

By Stanley A. Weiss

LONDON — In America the successful film "The Rock" has terrorists threatening San Francisco with chemical weapons. In real life the U.S. Senate is threatening the entire country.

It has so far refused to act on the Chemical Weapons Convention, initiated during the Reagan administration and signed by President George Bush, which bans the production, storage and use of chemical weapons anywhere in the world. Ratification should be a no-brainer.

America is already unilaterally destroying its chemical weapons stockpile. The only question is whether it will agree to a convention to which, by early next year, the entirely civilized world would be party.

Unreconstructed Cold Warriors have been busily complaining that the Russians are up to no good, secretly producing a new super-deadly nerve gas, and that rogue nations or terrorist groups determined to cheat and produce chemical weapons are not likely to be caught by Chemical Weapons Convention inspectors.

For good measure, they add that American chemical companies will be burdened with a mountain of new paperwork, and that hordes of international inspectors will be poking their noses into U.S. chemical plants and shoplifting trade secrets.

But the most ardent supporter of the convention is the U.S. business community itself. The treaty protects vital commercial interests. It guarantees U.S. access to global markets that are increasingly important to corporate profits and jobs.

Chemical manufacturers are America's single largest export industry, with more than $60 billion in exports, representing a $20 billion trade surplus last year. America's status as the world's preferred chemical supplier would be jeopardized if it did not ratify the convention.

The United States would be reduced to the level of Iran, Iraq, Libya and North Korea. Its largest trading partners, which have ratified the convention, would be forced to embargo trade with U.S. industry.

Even if the restrictions apply to just a small portion of the overall trade in chemical products, customers who prefer one-stop shopping are likely to find other suppliers among America's economic competitors.

The price of failure to ratify a treaty that Washington took a lead in drafting would be more than the stigma of hypocrisy. It would be reflected in hundreds of millions of dollars in lost sales by American companies.

The U.S. chemical industry largely wrote the treaty's regulations, which are noteworthy for their brevity and simplicity. In an industry subject to on-site inspections by the Environmental Protection Agency and the Occupational Safety and Health Administration, and which fills out more forms than almost any other sector, the addition of a simple one-page report on chemical weapons compliance can hardly be considered a major paperwork burden.

Business Executives for National Security, an organization of U.S. business leaders, considers the treaty a model for future public-private partnership in the war against all weapons of mass destruction — chemical, biological and nuclear.

Without it, America can only unilaterally impose sanctions on countries like China, which is helping Iran develop chemical weapons. With it, Libya, which has not signed, will be further isolated. Any nation that supplies chemicals or equipment to Libya's suspected chemical weapons plant will be similarly ostracized.

With the Chemical Weapons Convention in force, countries trying to skirt the ban on chemical weapons would not be permitted to buy intermediaries — used in producing plastics, pesticides, paint and pharmaceuticals — from roughly the whole industrialized world.

Those who pretend to speak for business may complain about the convention, but those of us who are in business know better. The treaty will help prevent terrorists and pariah states from getting their hands on the materials to make chemical weapons, while ensuring that American manufacturers can continue to successfully complete in the global trade in legitimate chemical products.

The Chemical Weapons Convention is good policy and good business. How often can that be said about a piece of legislation?

The writer is chairman of American Premier Inc. and of Business Executives for National Security, an organization of U.S. business leaders. He contributed this comment to the International Herald Tribune.

But the Paper Won't Be on Paper

By Charles Krauthammer

WASHINGTON — Imagine what the blacksmiths of 1896 felt when they looked up and saw their first automobile. I know, I am a newspaper columnist in 1996, and for the last six months I've been trying out the Net.

My colleague Richard Harwood is convinced that "whatever success the electronic faction achieves in the millennium to come, the newspaper will remain an important part of our lives and our culture." I hope he is right. I think he is wrong. I have been into the future, and it works.

The future is not print.

The great advantage of newspapers is that they are familiar and convenient. You can hold them. You can fold them. You can carry them around, divvy them up between readers, and, when you are done, use them as kindling.

Computers are clunky. It takes time and bother to get on the Net, time and bother to find what you are looking for, time and bother to download.

True, but at the turn of the century starting an automobile was also hard. It was much easier to mount a horse than crank up the starter, release the hand brake, get in gear and start yourself rolling down the road. Then came the ignition key.

It will come for computers, too. Search engines are becoming more powerful and easy to use. Customization will soon allow you to tell the computer what kinds of stuff you want — Orioles' box scores, vegetarian recipes, articles by columnists whose last name begins with K — and it will have them waiting for you with your morning coffee.

Michael Kinsley, who this week launches Slate, his new on-line magazine, notes that around 1989 you stopped asking people "Do you have a fax number?" In 1996 you stopped asking people "Do you have an e-mail address?"

The Gutenberg age is going to end with the 20th century. First to go will be the newspaper. Then the magazine. Then the book.

Their paper versions, that is. They will all find a new life on screen, on disk and on-line. What is dying is printing, not writing. It is our way of transmitting words, not words themselves, that is obsolete.

Nor will pictures conquer the word (as portrayed, for example, in "Fahrenheit 451"). Not even moving pictures will. Writing will survive video because video is 90 percent junk, great for the senses but, for conveying ideas, a huge waste of megabytes.

Think of, say, a television report on the rise in gasoline prices: narration tarted up with perfectly useless pictures of tankers, refineries and people pumping gas. Close your eyes and you miss nothing.

But while text will survive video, paper will not survive the computer. At the turn of the century text will forever leave paper and take up residence on-line.

No need for mourning. Clay tablets gave way to papyrus, sheepskin scrolls to bound books, illuminated manuscripts to Gutenberg type. In the end, each revolution was for the better.

For the typical newsmagazine, only 20 percent of the costs are editorial (paying the writers and editors to put the stuff together). Eighty percent goes into the physical transformation of thoughts into ink and paper and lugging them about until they get into your hands. Print will die of this waste and expense.

It will die, too, because it is so slow to transmit — the speed of trucks versus the speed of light — and so environmentally unsustainable. (One would think that progressive intellectuals might be more sensitive to the ecological consequences of their nostalgia for print.)

On-line reading, however, has one last hurdle to overcome before its final triumph: scrolling. "Reading large bodies of text scrolled up on a computer screen is a tedious, inefficient and probably unhealthy activity," writes Mr. Harwood. "The human eye is ill-suited for that kind of work." Right on.

It is curious that the most advanced form of information transmission should be reaching back 2,000 years in reading technique. Look something up in a Torah scroll, for example, and if you happen to start at the wrong end it can take you 15 minutes.

Here is my prediction: Internet publishing conquers the world as soon as the nerds come up with the perfect computer simulation of book reading. How? Put the text on the screen in the form of two facing pages, with a mouse click on the bottom right corner to turn the page.

I give this advice out for free. It will make somebody very rich, but I just don't feel right profiting from the demise of my fellow blacksmiths.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Cuba Platform

PARIS — [The Herald says in an Editorial:] The strong declarations of the St. Louis platform on Cuba have not escaped Spanish statesmen. If any political party in Europe had announced as its leading object sympathy with a movement for the separation from the United States of some part of its territorial possessions — Alaska, for instance — it is sure that a member of Congress would not have employed as calm and dignified words as those of the Marquis Valde Iglesias. He shows that Spain is neither frightened nor humiliated by the jingo declarations of the St. Louis platform.

1921: Mistaken Arrest

DUBLIN — Mr. De Valera, President of the "Irish Republic," was arrested by British forces last night [June 22] and given unconditional freedom to-day. The president was caught "by mistake" and taken to the barracks, where he was identified. "The most hunted man in the world," recognised as the head of the Sinn Fein movement, was treated with courtesy and passed the night not with the other prisoners, but in officers' quarters.

1946: Guilty Versailles

NUREMBERG — In scornful tones, Constantin von Neurath told the War Crimes Tribunal today [June 22] that the framers of the Versailles Treaty and the League of Nations were responsible for the Nazi party and the war. The German, who was Ambassador in London and Hitler's foreign Minister until Ribbentrop took over, asserted that "in the numerous and impossible provisions of the Versailles Treaty were the roots of National Socialism and the causes of the second World War."

INTERNATIONAL



Agence France-Presse

Pall-bearers carrying the coffin of former Prime Minister Andreas Papanderou to the Orthodox Cathedral in Athens on Sunday.

Andreas Papandreou, Ex-Greek Leader, Dies

By Marlise Simons
New York Times Service

Andreas Papandreou, the former prime minister of Greece who towered over his country's political life for more than two decades, died Sunday at his home in Athens. He was 77.

Open heart surgery in 1988 had left Mr. Papandreou weakened, although it did not stop him from entering and winning elections for the third time in 1993.

In 1995, his failing health prevented him from performing the normal duties of government, leaving Greece flailing. He had not been seen in public since his release from a hospital last March 21 after a four-month stay.

Few other politicians in modern Greece have inspired as much love and loathing at home and as much bewilderment and irritation abroad.

He was successful at home because he appealed to Greece's thirst for change, *and his nationalist polemics* appealed to the Greeks' perennial feeling of being misunderstood and unappreciated.

Abroad, Greece's Western allies were regularly befuddled or exasperated as the undoctrinaire socialist took positions diametrically opposed to theirs, on issues ranging from Serbian aggression in Bosnia to the role of NATO in the Mediterranean.

The core of his foreign policy was to end Greece's status as "a client state of the West."

As a result, he refused to condemn the Soviet intervention in Afghanistan, campaigned against American military bases in Greece, and variously threatened to pull out of NATO, the United Nations and the European Union, *although he accepted the* Union's generous funds.

He blocked European credits for Turkey, Greece's historic enemy. While others shunned Libya and Yugoslavia, he improved his ties there. In the Bosnian war he supported Serbia, a longtime ally, and opposed sanctions against Serbia. He was reluctant to condemn Serbian atrocities, even in the face of ample evidence.

Mr. Papandreou thrived on being contrary; he described this as "tightrope diplomacy."

Until the collapse of the Soviet Union, he was especially skillful at extracting funds from fearful Western governments that wanted to strengthen Greece's capitalist system and protect Europe's southeastern flank in the *communist Balkans. Despite* his public discourse, he remained pro-Western.

Having taken refuge in the United States during World War II and become a U.S. citizen, he handed back his American citizenship in 1964 to run for Parliament in Greece under the auspices of his father, George, the prime minister.

But King Constantine, who distrusted both men, dismissed the prime minister and his cabinet. The period of instability that followed led to a right-wing military coup in 1967, and both Papandreous were arrested.

Pressure from influential Americans led the military junta to release Andreas Papandreou and other political prisoners in 1967. But from his exile, first in *Sweden, then in Canada, Mr.* Papandreou organized a coalition of opposition groups and denounced the U.S. government for "complicity" in the coup.

The party he founded in 1974, the Panhellenic Socialist Movement, or Pasok, changed Greece's political landscape. It brought him — and the left — to power in 1981.

Many Greeks applauded him because he established civil marriage and legalized divorce and abortion. But his economic policy remained full of contradictions, and critics said that he squandered the power and the funds he had to modernize the country.

His prestige also suffered because he publicly flaunted his affair with Dimitra Liani, a flight attendant half his age, while he was still married to his wife of 38 years. Margaret Papandreou, the mother of his four adult children, agreed to a divorce in 1989. He eventually married Miss Liani.

Terrel H. Bell, 74, Education Leader in U.S.

The Associated Press

SALT LAKE CITY — Terrel H. Bell, a former secretary of the Department of Education, who was credited with starting a national school reform movement, died Saturday of pulmonary fibrosis. He was 74 years old.

Mr. Bell headed the department from 1981 to 1985 under President Ronald Reagan. Afterward, he remained active in promoting education and learning, founding the educational consulting firm T. H. Bell and Associates. He wrote "How to Shape Up Our Nation's Schools" in 1991.

His leadership at the education department led to the 1983 "A Nation At Risk Report," which prompted a school *reform movement to make education* consistent with the demands of a modern-day market.

Henry Regnery, 84, Conservative Publisher

CHICAGO (NYT) — Henry Regnery, 84, a one-time New Deal Democrat who became the godfather of modern conservatism as the publisher of the movement's leading theorists after World War II, died here Tuesday of complications from brain surgery.

In 1951, his fledgling Chicago publishing house, Henry Regnery Co., brought out William F. Buckley Jr.'s "God and Man at Yale," which threw down the conservative gauntlet at the feet of the liberal academic establishment and created a sensation.

Dr. Daniel Mazia, 83, a biologist who carried out pioneering work on cell division, structure and regulation, died June 9 in Monterey, California, of heart failure and complications of cancer. He had been a professor at Stanford.

Manila Reports Breakthrough With Rebels

Reuters

DAVAO, the Philippines — Government negotiators said Sunday that they had achieved a major breakthrough in talks with the insurgent Moro National Liberation Front and that a peace deal may be signed as early as next month.

After three days of talks, Manila and the rebels agreed to create a guerrilla-led transitional body to run a long-disputed *southern region.*

The move to set up the Southern Philippine Council for Peace and Development would pave the way for the creation of an autonomous region in the southern Philippines.

"This effectively resolves a most contentious political issue bogging the peace negotiations and hopefully paves the way for a final peace agreement in the near future," President Fidel V. Ramos said in Manila. "The council is welcomed not only for the benefits it will reap in terms of public and private investments, *but for its impact on the lives* and livelihood of our masses, many of whom have been caught in a cruel cycle of conflict and poverty."

In a joint statement at the end of talks in southern Davao city, Manila and the rebels expressed hope that a formal peace pact between the two would be signed in Jakarta next month.

Over 50,000 people died at the height of the front-led revolt for Muslim self-rule in the 1970s. Rebels estimated the death toll at about 200,000, mostly civilians. The front chief, Nur Misuari, a former political science professor, launched the revolt in 1972.

Two key issues left unresolved — a front demand to set up its own regional police force comprising 20,000 guerrillas and integration of Muslim insurgents into the regular army — would be *discussed by a special working group,* the statement added.

The front would head the council for peace and development and the rebels have the power to supervise economic development in the Mindanao region and adjacent islands, where most of this largely Christian country's Muslim minority lives.

It would be guided by a consultative assembly of local officials and representatives from nongovernment organisations.

The body would also be able to call upon the military and the police to carry out peace-keeping operations in the proposed autonomous area of 14 southern provinces and nine cities.

CROSSWORD

ACROSS

1 — Doc Duvalier
5 J. — Hoover
10 — au lait
14 — Corporation (ammunition maker)
15 Jules —
16 — -friendly
17 "Of — and Men"
18 "— the news today . . ." (Beatles lyric)
19 "Take — Train"
20 — basket
22 "The — Show on Earth"
24 "It's —!" ("See you then!")
26 Camus's "The — of Sisyphus"
27 — so on
29 Nick at —
31 — living
34 TV's "— & Clark"
36 Hippocratic —
38 On the —
40 Title for this puzzle
43 "Van Gogh in —"
44 "Que — . . ."
45 — River, N.J.
46 — the storm
48 Jay —
50 Jacqueline Kennedy, — Bouvier
51 "— Fiction"
53 British —
55 "The — Heart"
59 Mount St. —
62 — Canal
63 — finish
65 Get — the ground floor
66 "Rock of —"
67 — nous
68 — spumante
69 ". . . gathers no —"
70 — the course (perseveres)
71 "Have a —"

DOWN

1 "— and Circumstance"
2 Et —
3 — Circus
4 Put — to
5 — notice
6 "— Rosenkavalier"
7 Cyclist — LeMond
8 — and a leg
9 Take the — (fly at night)
10 — competition
11 Arthur —
12 Legal —
13 Quod — demonstrandum
21 — Fleming
23 "Not —" ("Think nothing of it")
25 — Unis
27 — Romeo
28 Bête —
30 — Merman
32 — panty hose
33 Billy Joel's "Don't — Why"
35 "— in Seattle"
37 "Ready or not, — come!"
39 In — (actually)
41 The word —
42 Rock's Siouxsie and the —
47 Go down in —
49 Grand — Opry
52 Manufacturing —
54 — Howe
55 — player
56 "Cogito — sum"
57 "True —"
58 — Kett of the comics
60 — bene
61 In a — (agitated)
64 The old college —

Puzzle by Martin Schneider

© New York Times/Edited by Will Shortz

Solution to Puzzle of June 21

S	T	E	A	M	E	D	U	P		A	S	F	A	R
O	U	T	R	I	D	E	R	S		S	H	A	N	E
O	N	T	A	R	I	A	N	S		H	O	T	E	L
T	E	E	B	A	L	L	S		S	C	R	E	W	Y
			G	E	T		S	T	A	T				
S	U	S	S	E	S		M	O	U	N	T	I	E	S
A	D	I	T	S		L	E	A	N	S	I	N	T	O
M	A	N	O		C	O	R	N	S		M	O	A	N
B	L	A	C	K	H	O	L	E		R	E	N	T	E
I	L	I	K	E	I	K	E		D	U	R	E	S	S
		P	E	D	S		C	O	S					
R	E	G	I	P	E		B	A	G	H	D	A	D	I
O	R	A	L	E		L	O	N	G	E	A	R	E	D
W	I	S	E	R		U	N	D	E	R	T	O	N	E
S	C	A	D	S		G	O	O	D	S	E	N	S	E

LANGUAGE

Close Calls and Cliffhangers

By William Safire

WASHINGTON — If one phrase dominated the headlines and the newscasts on the day after the recent election in Israel, it was *too close to call.* When did we start using that phrase, now ubiquitous whenever journalists and pollsters are nervous about projecting the results?

The root phrase is *close call:* "My! but that was a *close call*" can be found in an 1881 Harper's Magazine article, followed a year later by another use in "*a close call* for Sunday." (Fifty years before that, the favored phrase for a narrow escape was a *close shave* — the writer Charles A. Davis reported in an 1834 letter that "I did not so much as get my feet wet when the bridge fell, though it was a *close shave*" — but that phrase has all but disappeared in our time, as stainless-steel blades have made all shaves close.) The alliterative phrase is still current: after encountering a tornado in the 1996 film "Twister," the storm-chaser hero reassures his girlfriend that it was "just a *close call.*"

> *'Call' meaning a judgment was popularized by baseball.*

Too close to call, as best I can tell, comes from political broadcasting. Since 1647, a *call* has meant a judgment, and it was popularized after the 1860s by baseball. (A *strike* is *called* by an umpire, who also *calls* a sliding runner out or safe and *calls* a game on account of rain.) Daniel Schorr of National Public Radio remembers the phrase from the early days of television, and directed me to Martin Plissner of CBS, a pioneer of electronic election coverage.

"That phrase was invented at CBS between 1962 and 1964," says Plissner with the confidence never shared by lexicographers. "During that period, instead of using the exit polling we have today, we used a model we had devised for predicting or *calling* elections based on certain reported-precinct results. That gave us a sample to which we could apply mathematical for*mulae to determine a call. When we had a* situation in which all the votes were reported but there was no clear winner, we called that election *too close to call.*"

Plissner, a strict constructionist, thinks the phrase is today being stretched past its original meaning: "The phrase should not be used to describe pre-election polling. It should be used only after voting has taken place. The election in Israel fit the meaning perfectly: When the margin of victory is 2 percent or under, an election is *too close to call* until all the results are in."

□

The pundit who predicted a *dead heat* took his metaphor from racing. A *heat,* first used in this sense in 1577, was a run given a race horse to warm him up; it then defined a single course in a race of two or more trials, and was used by the poet John Dryden in 1685 in a way that idealists could apply to political races today: "Feigned Zeal, you saw, set out the speedier pace; / But the last *heat,* Plain Dealing won the race." The modifier *dead,* in the sense of "even, equal," appeared in 1635, and the phrase appeared in Sporting Magazine in 1796: "The whole race was run head and head, *terminating in a dead heat.*" (With a hyphen, *dead-heat* is used as a verb, meaning "to end a race in a *dead heat.*") Today, all nearly *dead heats* in racing are decided by a camera taking the *photo finish.*

We don't have the first use for *cliffhanger,* but American Speech first defined it in 1937 as a "type of serial melodrama." The origin was certainly the movies: Pearl White, who starred in the 1914 silent film "The Perils of Pauline," was later known as "Queen of the *Cliffhangers.*" (She also did her bit for alliteration, with "The Exploits of Elaine" as well as "Perils of *Paris.*") The compound noun quickly backformed a verb, *to cliff-hang,* used by Time magazine in a 1938 article about a villain "who often threatened cinema death to the daring, *cliff-hanging* heroine White." The picture of the heroine hanging by her fingernails from the edge of a cliff in the final reel of an episode, with "to be continued" superimposed, lent itself by metaphoric extension to the suspense of election night.

When an election can be looked back on as having been *too close to call,* ending in a *dead heat* or a *cliffhanger,* the assessment can be made by historians that it was a *squeaker.*

In British criminal slang, that word defined an informer through most of the 20th century; American crooks called the one who helped the police a *stool pigeon,* or in onomatopoeic similarity to British usage, a *squealer.*

□

But how did *squeaker* develop a sense of a "close election" (a phrase defined in Noah Webster's 1828 dictionary as "an election in which the votes for the different candidates are nearly equal")? It began as a "bare chance" in the early 18th century — a 1737 English writer pleaded with readers "to give me a *Squeak* for my Life (as the Saying is)" — and narrowly escaped to America to emerge in the 1930s as meaning a "tight race." The Oxford English Dictionary defers to Merriam-Webster for a 1961 citation, but Fred Mish of Noah Webster's old outfit has come up with one from 10 years earlier. "It was used to mean a 'close contest' in a Newsweek article dated Dec. 3, 1951," says Mish. "The context was the 1951 Rose Bowl playoffs, and the sentence read, 'Illinois clinched the W.C. [Western Conference] title and a Rose Bowl ride in a 3-0 *squeaker* against Northwestern.' The allusion is to the sound of a squeak, calling up two images: one is of a mouse squeezing through a small hole, and the other is the sound of elements coming so close to each other that there is an audible indication of their proximity — for example, the sound of fingernails on a blackboard."

From this use we can deduce that *squeaker* is rooted in the 1930s verb phrase *to squeak through.* Appropriately enough, the OED cites one usage from a Time magazine article in 1977 on Prime Minister Yitzhak Rabin, who "only *squeaked* through by sweeping the votes allotted to Israel's conservative kibbutzim."

Then and now, as the Duke of Wellington is supposed to have said about the Battle of Waterloo: "It was a damned *close-run thing.*"

New York Times Service

BOOKS

HIT AND RUN: How Jon Peters and Peter Guber Took Sony for a Ride in Hollywood

By Nancy Griffin and Kim Masters. Illustrated. 479 pages. $25. Simon & Schuster.

Reviewed by
Bernard Weinraub

SONY'S purchase of Columbia Pictures in 1989 was greeted with howls of alarm by the American press. "Japan Invades Hollywood," said Newsweek in a cover showing the Columbia lady dressed in a kimono. It was as if some dangerous alien force were about to consume the very industry that helps shape the myths and fantasies of the nation and, for that matter, a large chunk of the world.

Six years later, having spent a ludicrous $8 billion in the entertainment business, Sony is no longer seen as a threat to American culture. Far from it. The company seems not only shockingly naive about the movie business, but also a victim of some slick Hollywood and Wall Street operators who ran off with the bank.

"Hit and Run: How Jon Peters and Peter Guber Took Sony for a Ride in Hollywood," by Nancy Griffin and Kim Masters, recounts the sometimes comic and often outrageous tale of two high-flying producers who were inexplicably chosen by Sony to run Columbia Pictures (partly on the terrible advice of a music mogul just out of drug and alcohol rehab).

As depicted by Griffin and Masters in their lively, well-reported book, Peters and Guber were a partnership consumed with an almost pathological hunger for money. During their more than 10 years together, the producing pair made the hugely successful "Batman" and sought to take producing credit for "Rain Man" (they visited the set once) and for "The Color Purple" (Steven Spielberg, the director, barred them from the set).

Peters, a junior high school dropout and former hairdresser, was a bully with apparently marginal talents. Guber, far shrewder, more creative and a dazzling salesman, had previously run a production company financed by Polygram that lost $80 million. Without a shred of experience in running a big studio, the two were hired to run one of Hollywood's great studios, Columbia, and, later, TriStar. Hey, it's Hollywood.

Sony's advisers included Mickey Schulhof, the head of the company's American operations, who, the authors say, was "mesmerized" and "thoroughly captivated" by Guber's charm; Michael Ovitz, then the chairman of Creative Artists Agency, who wanted to prove that he could help broker a multibillion-dollar international deal and considered running the studio himself; Peter G. Peterson, an abrasive former commerce secretary and chairman of the Blackstone Group, the investment firm that walked off with a multimillion-dollar fee and was blamed for encouraging Sony to be overly optimistic about the studio's earning power, and Walter Yetnikoff, a talented, substance-abusing music mogul who ran Sony's music division and initially pressed the case for hiring Guber-Peters.

In the course of their climb, Guber and Peters made an extraordinary number of enemies, and Griffin, the former deputy editor of Premiere, and Masters, a contributing editor at Time and Vanity Fair, seem to have spoken to all of them.

Peters was interviewed by the authors, while Guber refused to speak to them, a big mistake on his part because he's treated with a machete.

Griffin and Masters are most accomplished when they examine the wreckage of the Guber-Peters reign at Columbia. One of the team's earlier films, "Radio Flyer," was a disaster that lost a staggering $43 million. The Guber-Peters overhead ran $50 million to $75 million more than any competitor's. Peters gave a former girlfriend a top executive job and a Mercedes-Benz, despite her inexperience. Executives like Mike Medavoy and Frank Price were hired and then fired several years later with multimillion-dollar compensation packages. Friends like Mark Canton, a former Warner Brothers executive, and other former associates were named to top jobs.

"When I think about Columbia," one insider told the authors, "I think about all those tiny little men in tiny little jeans endlessly high-fiving each other."

The studio's track record was poor. There were big-budget disasters from Columbia and its sister studio, Tri-Star, like "Last Action Hero" and "I'll Do Anything." Blunders like "My Life." Overpriced movies such as "Hook," "Wolf," "Bugsy" and "The Age of Innocence." And some successes, like "Sleepless in Seattle," "Philadelphia," "A League of Their Own," "Groundhog Day" and "Sense and Sensibility."

By November 1994, when Sony took an enormous $3.2 billion write-off because of its failures in Hollywood, the company tacitly acknowledged that its experience had been a disaster.

Guber had left two months earlier, after five years during which the studio had not produced a runaway hit. Peters left three years before, with a settlement that the authors say may have run as high as $50 million. Guber's settlement is unknown, but let's not worry about his financial future.

Griffin and Masters seem as amazed as anyone at the Guber-Peters escapade. And it continues. Both men have gone back to producing. Hey, that's Hollywood.

Bernard Weinraub is on the staff of The New York Times.

BRIDGE

By Alan Truscott

IN the diagramed deal, North-South, bid the correct contract of five diamonds, which was not easy. After the defense played a spade to the ace and continued the suit, South could count 10 tricks but had to worry about the fourth round of hearts.

He began by leading the club queen, intending to play the ace from dummy if nothing happened, but was happy when West covered with the king and the ace won.

Now it seemed he could draw trumps ending in dummy and claim his game, throwing a heart on the club jack. But he had to think again when a diamond to the king revealed the bad split. He could finesse the diamond nine, *but then West might* score the diamond jack because South had no quick entry to his hand to play a fourth round.

South gave himself the best chance by enlisting the opponents' help. He led the heart king, confident that if this won the trick the opponent's plays would give him a clue to the distribution.

West played the eight, showing an odd number of hearts, and East simplified the problem by winning with the ace.

Now a heart return was won with jack and the spade nine finessed. The diamond ace was cashed, a club was ruffed and the last trump drawn. The heart queen remained in dummy as the entry for the club jack.

In the replay, North-South bid three no-trump. After a spade lead and continuation, the contract was hopeless.

NORTH (D)
♠ 7 2
♡ Q 7 4
◇ A 9 3
♣ A J 9 6 2

WEST	EAST
♠ J 9 6 4	♠ A Q 10 5 3
♡ 10 8 3	♡ A 6 5
◇ J 8 5 2	◇ —
♣ K 5	♣ 10 8 7 4 3

SOUTH
♠ K 8
♡ K J 9 2
◇ K Q 10 7 6 4
♣ Q

East and West were vulnerable. The bidding:

North	East	South	West
Pass	1 ♠	2 ◇	3 ♠
5 ◇	Pass	Pass	Pass

West led the spade four.

INTERNATIONAL

His Future on the Line, Yeltsin Has Split Vision of Russia's Future

By David Hoffman
Washington Post Service

MOSCOW — At the President Hotel, not far from the Kremlin, Boris N. Yeltsin's re-election campaign headquarters has two nerve centers.

One of them is on the ninth floor and is run by a group that thinks that if President Yeltsin wins, there will be another chance for far-reaching democratic and free-market changes. The other is on the eighth floor, run by conservatives whose vision of a second term is a more powerful state apparatus and more subsidies for Russia's industrial dinosaurs.

They are different, yet both work for Mr. Yeltsin, and they underscore a major void in Mr. Yeltsin's campaign. Despite weeks of intensive campaigning, which have salvaged his chances of re-election, Mr. Yeltsin has said almost nothing about the direction he would take the country in a second term.

This vacuum is one reason why the stakes were so high in last week's Kremlin shake-up, in which Mr. Yeltsin fired his defense minister, secret police chief, head of his bodyguards and a deputy prime minister. All four were part of a powerful, secretive anti-reform cabal that had successfully edged Mr. Yeltsin away from free market, democratic changes in recent years.

Not only did the reshuffle feature dramatic allegations that the hard-liners wanted to subvert the elections. It also offered a glimpse of what reformist Anatoli B. Chubais called "a long and arduous struggle" between the competing camps.

The campaign isn't over. Mr. Yeltsin received only 2.4 million more votes than his Communist Party rival, Gennadi A. Zyuganov, in the first round. In the July 3 runoff against Mr. Zyuganov, Mr. Yeltsin faces many problems that could erode his vote, including mid-summer apathy. But Mr. Yeltsin may have gained strength by adding to his team the popular third-place finisher, Alexander I. Lebed, who received 10.9 million votes.

Whoever wins the presidency, a host of potentially explosive economic and social problems awaits him. These include a collapse of tax revenues, a latent banking crisis, a depression in industry and simmering social tensions over unpaid wages and pensions. Two other critical areas of decay — the army and agriculture — are ticking time bombs.

"Yeltsin needs to announce what he is going to do, so on the next day after the election we won't get something we didn't expect from him at all," said the economist Grigori A. Yavlinsky, who placed fourth in the voting.

One of the reformists working for Mr. Yeltsin agreed, saying, "There is going to be a day of reckoning soon after the election."

Mr. Yeltsin has insisted that he will continue with "reform," but avoided defining it, except in the broadest sense of being the opposite of communism. His notion of reform appears to run the gamut from radical change, like that which followed the Soviet Union's collapse, to the more recent jockeying among powerful financial clans for a bigger slice of government property and wealth.

"I think the main era of reform will come right after the election," said Gary Kasparov, the world chess champion who is close to former Prime Minister Yegor T. Gaidar and has been working to support Mr. Yeltsin's campaign. "Yeltsin tends to be very mobile at these moments. People have voiced their protest at turning back to the past."

Leonid Radzikhovsky, a journalist and political adviser to Mr. Lebed, said: "The policy won't change much from what we've seen the last two years. Yeltsin will probably sleep more and play more tennis.

"Yeltsin always has the potential to wake up when he's threatened. If there's a threat, he always rises to the occasion. But if there is no threat, his team will rule the country as it has for the last few years."

This means, he added, more of the elite nomenklatura capitalism, with the government "controlling all financial flows and the country living off gas, oil and metal exports."

"It's not a very promising future," he said, "but it's no worse than we had before."

Nonetheless, the reformists are making big plans for a post-election comeback. According to a source, a major new economic plan with far-reaching implications is already in preparation.

It would pursue hemorrhaging tax revenues — by government estimates, 40 percent of taxes expected this year have not been collected — while bolting the door against demands for new subsidies to ailing industries.

Karadzic May Give Up Post but Keep Reins

By John Pomfret
Washington Post Service

PALE, Bosnia-Herzegovina — Radovan Karadzic was reported Sunday to have decided not to seek re-election as the "president" of the Bosnian Serbs.

The reports, by two Serbian television networks and the Reuters news agency, could not be confirmed, but Bosnian Serb officials and Western diplomats have said that such a decision had been expected after intense pressure on the Serb leader and indicted war criminal to leave the post that he created and held throughout Bosnia's 3½-year war.

Western diplomats have also said that they expected Mr. Karadzic to remain as the president of his ultranationalist political organization, the Serbian Democratic Party, and control events from behind the scenes. All three reports, two of them by independent Belgrade TV stations, said Mr. Karadzic would indeed continue to lead the Serb party.

The Reuters report said Mr. Karadzic would step down as the "president" of the Bosnian Serbs and be replaced by the Bosnian Serbs' "foreign minister," Aleksa Buha, but the two TV stations contradicted that claim. Mr. Buha, speaking to one Belgrade station, called news of his imminent ascension to the Serb presidency "journalists' speculation."

If true, Mr. Karadzic's decision might be enough to stave off a resumption of economic sanctions against Yugoslavia and the territory in Bosnia controlled by the Serbs. The United States, among others, has threatened to reimpose sanctions on the Serbs if Mr. Karadzic either attempted to run for re-election or continued to play a public role in Serb affairs.

If Mr. Karadzic's move is enough to satisfy the United States and its European partners, it will mark a significant weakening of the terms of the Dayton accord, one Western official said.

Mr. Karadzic is wanted by the International War Crimes Tribunal at The Hague on charges of genocide and crimes against humanity. He is charged with ordering the slaughter of up to 8,000 Muslim men during the capture of Srebrenica, the Muslim enclave in eastern Bosnia, among other crimes.

Under the Dayton peace accord for Bosnia, he and other accused war criminal are banned from running for election in Bosnia's nationwide vote, tentatively scheduled for Sept. 14. But for months now he has openly flirted with the idea of defying the Dayton deal.

As a signer of the Dayton accord, Serbian-led Yugoslavia is supposed to cooperate with the tribunal and bring indicted war criminals to justice.



Kim Jae Hwan/Agence France-Presse

Mr. Kim, right, and Mr. Hashimoto after exchanging soccer balls at their meeting in South Korea on Sunday.

ASIANS: *Chums in Korea*

Continued from Page 1

threats from North Korea. "The most important message is that these two countries have decided to bury the hatchet for a more pragmatic position, and there is clear consensus that it's about time," said Park Jin, a top aide to Mr. Kim.

Whether the hatchet is truly buried or merely set aside temporarily, U.S. officials welcome any effort by the two countries to cool the enmity, which dates back centuries and was hardened into hatred during Japan's occupation of Korea from 1910 to 1945.

In April, President Bill Clinton held separate meetings with Mr. Kim here on Cheju Island and with Mr. Hashimoto in Tokyo, reinforcing the U.S. relationships with Japan and South Korea. Today's meeting completes a triangle, and Mr. Kim and Mr. Hashimoto were at pains to seem as chummy with each other as they were with their mutual friend from Washington.

One Western official in Seoul said the new friendliness may represent a genuine desire to change the relationship, saying, "I think both sides have decided that the histrionics have gone far enough."

The meeting was ostensibly supposed to begin the negotiations between Seoul and Tokyo over the logistics of being co-hosts of the 2002 World Cup soccer tournament. While Mr. Kim and Mr. Hashimoto endorsed a joint committee to work on that sticky issue, weightier issues surrounding North Korea occupied most of their time.

Mr. Hashimoto and Mr. Kim pledged their cooperation to bring North Korea to the table for four-way peace talks among the two Koreas, the U.S. and China, an idea proposed by Mr. Kim and Mr. Clinton in April.

Neither said how they might persuade North Korea, which has been cool to the idea.

The two countries are feuding about a tiny group of islands in the sea between them, which Japan refers to as Takeshima and South Korea knows as Tokdo. Both sides claim sovereignty and fishing and mineral rights.

The "comfort women" issue is also heating up again. The government established a fund to compensate many of the surviving women, but it appropriated no government money — the fund is built strictly on private funds, and donations are lagging.

Mr. Hashimoto, who has offered to send a personal letter of apology to 300 South Korean comfort women, said Sunday that he first learned of the issue when he visited South Korea in 1965.

"I understand what it has caused to South Korean women, and I'm sure it hurt their pride and dignity," Mr. Hashimoto said. "I apologize from the bottom of my heart."

SUMMIT: *G-7 Meeting Offers U.S. a Chance to Crow About Jobs*

Continued from Page 1

level of debt." As European governments go through the process of trying to meet Maastricht single-currency criteria, he added, "There is some concern that in light of fiscal-side contractions, there will be some offsetting monetary policies needed to avoid economic contraction."

Mr. Stiglitz said Mr. Clinton planned to discuss with his G-7 peers "how unemployment went from 7.3 percent down to 5.6 percent in the United States, and during a period of deficit reduction." He also said that the 9.7 million jobs created in the United States over the past four years represented "almost all the job creation in the G-7." The senior White House adviser added that "we will set forth some of the lessons that some of the European countries can look toward as to how they can attack their deficit problems."

The draft communiqué for the Thursday through Saturday meeting, meanwhile, is already peppered with standard references to the need to reduce unemployment, according to officials from G-7 countries. The communiqué also contains a call to fight against exclusion in society, to push for better education and to lower social security and tax burdens on business, the officials said.

European leaders have bristled in the past whenever Washington has been too forthcoming with policy recommendations. At April's sparsely attended G-7 jobs meeting in Lille, President Jacques Chirac of France, this year's summit meeting host, proposed what he called "a third way" of creating jobs. But the French president's initiative was deemed to be vague by most other G-7 delegations.

At the Lyon meeting, meanwhile, Mr. Chirac and other Europeans are expected to criticize U.S. legislation that threatens sanctions against non-U.S. companies doing business with Cuba, Libya and Iran.

Mr. Chirac, who has made the issue of globalization a pet theme and who has in the past attributed some of France's domestic economic problems to international financial markets, may try to blame the globalization process for Europe's job crisis, G-7 officials warned.

Some officials have said that the United States, in turn, may criticize its European partners if they try to blame the process of economic globalization for their unemployment problems.

Among other items contained in the draft G-7 communiqué, and therefore still subject to negotiation, according to officials, are the following:

- A statement that successful reform in Russia will depend on Russia's abiding by its deal with the International Monetary Fund.
- Continuing support for strengthening the IMF's ability to respond to currency crises like the one suffered by Mexico last year.
- A signal of support for plans under which the IMF and World Bank would join forces to assist the world's poorest country debtors.
- A push for the disbursement of $1.8 billion in funds for reconstruction in Bosnia and for the start of pledging by government donors of a similar amount for 1997.
- A statement of support for the tackling of new trade issues at the World Trade Organization's ministerial-level meeting in Singapore in December, including issues such as trade and the environment, trade and social issues, and trade and competition policy.
- A call for strengthened safeguards to protect against the illicit use of nuclear materials.

The issue of helping less developed countries also will be prominent during a summit meeting described by several G-7 officials as being "fairly thin" this year.

The United States may decide to announce that it will make the development of Africa a major theme at next year's meeting, to be held in Denver.

In addition, the United States and Japan will hold bilateral talks in Lyon on trade issues ranging from insurance to semiconductors.

ARABS: *Leaders May 'Re-evaluate Steps'*

Continued from Page 1

by his first impressions of the final communiqué. "Certainly on first glance there are things which are serious, contradictory to the atmosphere necessary for continuing to achieve peace," he said. "There are things that border on conditions."

Besides the peace process, the leaders dealt with other issues of regional concern, including a new — and they say potentially destabilizing — military pact between Turkey and Israel; accusations that Iran is stirring unrest in the Gulf state of Bahrain, and UN sanctions against Libya, which the communiqué criticized as unjust. They also repeated calls for Israel to sign the nuclear nonproliferation treaty and open its nuclear plants to international inspection.

The Arab countries last held a summit meeting in August 1990, a few days after the Iraqi invasion of Kuwait. That gathering exposed deep differences within the "Arab nation," as a majority of countries, led by Egypt, joined the West in condemning the Iraqi invasion. This weekend's gathering drew 21 of 22 members of the Arab League except for Iraq, which was not invited. Fourteen heads of state attended.

The thrust of the communiqué was to call on Israel to respect previous agreements with the Arabs, namely the Palestinians, and adhere to "the principles that were agreed upon in the Madrid conference and specifically the concept of land for peace."

The document also included a message for other interested parties, like the United States and the United Nations, urging them "to work to ensure that Israel does not go back on the basics of the peace process and that it follows through on its agreements."

■ Netanyahu Differs With Levy

In a slap in the face to Mr. Levy earlier on Sunday, Mr. Netanyahu distanced himself from remarks the foreign minister made hinting at Israeli flexibility in talks with Syria on the future of the Golan Heights, Reuters reported.

"Only statements made by the prime minister reflect Israeli policy on these political issues," Mr. Netanyahu's spokesman told Reuters.

CHOICE: *Dole Takes a Careful Road in the Long Search for the Right Running Mate*

Continued from Page 1

wing. The book portrays Mr. Dole's top advisers as almost in despair over their candidate's inability to formulate or deliver a campaign message, absent a prepared script. It describes as well the tensions between Mr. Dole's campaign and Senate staffs, including an unsuccessful effort by Mr. Reed to oust Mr. Dole's Senate chief of staff, Sheila Burke.

- Mr. Dole's comment to aides as the votes were being counted in the New Hampshire primary in February that if he finished in third place, he would have to quit the race. He finished second to Patrick J. Buchanan.
- Mr. Gore's role in pressing Mr. Clinton to change policy on Bosnia and the White House discussions that resulted in increased bombing after the Serbs killed 37 people in a mortar attack on Sarajevo and that eventually led to a peace agreement.
- Secretary of State Warren M. Christopher's decision in late 1994 to quit the cabinet and return to California and his subsequent decision to stay on after Mr. Clinton had unsuccessfully sounded out Mr. Powell for the job.

Mr. Woodward, who two years ago published an inside look at the White House during the first year of Mr. Clinton's presidency, began work on the book shortly before the 1994 elections and writes that he interviewed hundreds of people for the project. He spent a total of 12 hours with Mr. Dole, but writes that Mr. Clinton declined a request for an interview.

Mr. Woodward states that most interviews were conducted on ground rules that prevent him from directly identifying his sources, but he notes that quotations and dialogue come from one of the participants directly or from notes, memos or diaries written immediately after the conversations took place.

Officials at both the White House and the Dole campaign reviewed the book and provided their reactions.

The White House press secretary, Michael McCurry, said: "Like Colin Powell said of a previous book by Bob, his projects are often a combination of the accurate and the not-so-accurate. He's relied on selective impressions and a certain amount of memory morphing, but he's produced an interesting tale. It will be up to the American people to write the last chapter in November when they make their choice."

"As to the passages about Mrs. Clinton," Mr. McCurry added, "they describe a graceful first lady who enjoys listening to women with ideas and perspectives that differ from her own. And he describes one group discussion that was essentially a brainstorming session for her book. Nothing mysterious there."

The book also addresses Mrs. Clinton's struggle to deal with her own rejection and her relationship with Jean Houston of the Foundation for Mind Research.

Mr. Dole's press secretary, Nelson Warfield, said: "I can't confirm every comma and comment in the book. For example, it's too strong to suggest that there is an actual hard list of VP contenders at this point. But by and large we're not arguing with his reporting."

The Woodward book explores the personal relationship between Mr. Clinton and Mr. Dole and provides details of a recent exchange between the two as Mr. Dole tried to make amends for personally attacking the president on the day that Mr. Clinton's mother, Virginia Kelley, died of cancer in 1994.

Mr. Clinton is described in the book's opening as furious with Mr. Dole for demanding the appointment of an independent Whitewater counsel as he was grieving over the loss of his mother, and says he found Mr. Dole's behavior unforgivable.

Mr. Woodward writes that in an April 20 interview with Mr. Dole, he mentioned Mr. Clinton's anger over the incident. Mr. Dole at first disbelieved he had attacked Mr. Clinton under those circumstances.

"That's not something Bob Dole would do," he tells the author.

Mr. Woodward writes that Mr. Dole broke down in the interview as he talked about his own mother's death 13 years ago. Later, after reviewing transcripts of his remarks about Mr. Clinton, Mr. Dole wrote a note of apology to the president. "This letter is written not as a senator or as a presidential candidate, but as an individual whose parents instilled in him a sense of common courtesy," Mr. Dole said in the April 22 note.

The book also describes Mr. Clinton's respect for Mr. Dole as a legislative leader and his belief that Mr. Dole was the best of the field of Republican presidential candidates. "Look at the bunch of nitwits they've got running," Mr. Clinton is quoted as telling Mr. McCurry early this year. "Dole's the only one that's got any capability to do the job."

Mr. Woodward writes that while Mr. Clinton grappled with his political recovery, Mrs. Clinton struggled with her own sense of rejection and defeat. In Jean Houston she discovered one source of comfort and inspiration. The two first met when the Clintons summoned several motivational experts to Camp David in 1994 and later developed a friendship.

The book describes Ms. Houston as "a believer in spirits, mythic and historic connections to the past and other worlds."

In her past work, Ms. Houston had put people into trances, used hypnosis and "conducted experiments with LSD."

She refrained from such approaches in working with the first lady. In meeting with Mrs. Clinton, Ms. Houston was often joined by Mary Catherine Bateson, a professor at George Mason University and the daughter of Margaret Mead, the anthropologist.

The book describes one meeting in the solarium at the White House — which included members of the first lady's staff — in which Ms. Houston, knowing of Mrs. Clinton's identification with Eleanor Roosevelt, urged the first lady to carry on an imaginary conversation with Mrs. Roosevelt. Her eyes closed, Mrs. Clinton began to speak to Mrs. Roosevelt, and then at Ms. Houston's urging, reversed roles, and responded as she imagined Mrs. Roosevelt would have responded.

She did the same thing as Mahatma Gandhi, the book says. But when Ms. Houston suggested a third such imaginary conversation, with Jesus, the first lady balked.

Ms. Houston met with Mrs. Clinton several times and, according to the book, helped influence the first lady's controversial decision to go to China and speak at the international women's conference. When the first lady was completing her best-selling book, "It Takes a Village," Ms. Houston and Ms. Bateson, on more than one occasion, spent several days around the White House, helping with the manuscript.

In a newspaper column, Mrs. Clinton wrote that she "occasionally" has "imaginary conversations with Mrs. Roosevelt to try to figure out what she would do in my shoes." She also listed Ms. Houston among several women she has spoken with about women's lives.

Defending Mrs. Clinton

White House Plays Down Consultations

Compiled by Our Staff From Dispatches

WASHINGTON — Hillary Rodham Clinton enjoyed talking with a researcher in psychic experiences and altered consciousness to get ideas for a book and to cope with tough times, her spokeswoman said Sunday.

Mrs. Clinton's spokesman said Sunday that there was "nothing new" about the consultations with Jean Houston, an author and co-director of the Foundation for Mind Research, and Mary Catherine Bateson, a professor at George Mason University and associate, that are described in "The Choice," a new book by Bob Woodward, an assistant managing editor at The Washington Post.

"These were people who were helping her laugh, helping her think," said Neel Lattimore, the first lady's spokesman. "These were not seances."

The White House, hoping to minimize possible political damage like that done by word of Nancy Reagan's use of an astrologer, depicted the consultations as simple brainstorming sessions for Mrs. Clinton's book, "It Takes a Village."

Leon E. Panetta, the White House chief of staff, said in a televised interview: "To describe it as a consultation with psychics is to try to put it in the wrong frame. We have to draw strength from wherever we can in order to make it from day to day."

"She sat down with friends and advisers, talked through experiences, sought information, sought knowledge," Mr. Panetta added. "And I think that's human."

In her syndicated newspaper column on June 4, Mrs. Clinton listed Ms. Houston as one of many women with whom she has consulted. She said Ms. Houston "has shared her views with me on everything from the ancient Greeks to the lives of women and children in Bangladesh."

She said she had also spent hours discussing the roles of women in society with Ms. Bateson, an anthropologist and daughter of Margaret Mead, the famed anthropologist, as well as others.

"As women, talking can be our greatest friend," Mrs. Clinton wrote. "I don't always agree with what I hear. What's important is to have the chance to listen to women whose perspectives and ideas may differ from my own."

Vice President Al Gore and his wife, Tipper, defended Mrs. Clinton, saying the first lady was within her right to consult with Ms. Houston.

"They have attacked her practice of law 15 years ago," Mr. Gore said. "Now they are going into the way she brainstormed to write her book."

Mrs. Gore, asked whether she felt the book's revelation about the sessions with Ms. Houston was a "cheap shot," replied, "Yeah, I do."

"As her friend, I think with the enormous scrutiny that is on the first lady and the president just naturally, all of us should respect the right to privacy that they ought to have," Mrs. Gore said.

Mr. Panetta encouraged people to read "The Choice," which was excerpted at length in Sunday editions of The Washington Post and in the next issue of Newsweek. *(Reuters, AP)*

CYBERSCAPE

Writers Plot Work And Life On Web

By Brad Spurgeon
Special to the Herald Tribune

PARIS — Even as many writers fight for electronic rights and show wariness about dealing with the new media, many are also starting to use the Internet to simplify their business dealings. Margaret Atwood, a Canadian author, has put pages on the World Wide Web portion of the Internet for several reasons related to business.

"It is an effective way of providing information for readers, scholars and students," she related through her assistant, Sarah Cooper, who acts as Webmaster. "We get a lot of requests for routine information, and we hoped that by making it available on the Web, we would decrease the volume of written requests. It worked."

The Internet cuts written requests from readers.

Ms. Atwood, whose novels are international best-sellers, said, "Users come from all over the world: The largest portion are from the U.S. and Canada, but we've had users log on from Israel, Japan, Singapore, South Africa, Bermuda, Malaysia, Russia, Mexico, Luxembourg, Bulgaria, as well as all of the European countries."

Her latest statistics indicate that 461 files are downloaded daily from her address at: www.io.org/~toadaly.

Although Ms. Atwood chose and/or wrote the information on the site — including biographical and bibliographical information and links to other sites — she called on professionals to do the technical layout and formatting.

But many other writers are doing the technical work themselves — particularly genre writers such as those in the fields of crime, science fiction and fantasy.

Charles de Lint, a leading fantasy writer, did it himself after deciding to create a Web site, he said, to "set the record straight in terms of what others were writing about me on the Web."

The site aims to promote his writing — he provides a link to his publisher's Web site — and "to give readers a place to find out the things they normally write to ask."

Mr. de Lint said he taught himself how to do the formatting, layout and design and asked for advice when he "couldn't figure out how to do something."

In the first two weeks of operation this year, his site — at www.cyberus.ca/~cdl — had 150 hits a week.

Mr. de Lint called electronic media the way of the future and "a great way to advertise when you have no budget" but said he was not afraid of the electronic media putting him out of the book business.

"Until they come up with a real cheap reading device, I doubt it'll replace books or magazines," he said. "Who wants to take a computer, no matter how small, to the beach?"

Internet address: CyberScape@iht-lib.demon.co.uk

China Wires Up Finance Data

Network to Compete With Foreign Agencies

Compiled by Our Staff From Dispatches

BEIJING — China, aiming to compete directly with foreign vendors of financial news and information, announced plans Sunday to establish its own financial information service.

The service, China Financial Data Network Co., will supply financial information to 200,000 banks, institutions and government decision-makers across the nation.

The service was formed by China's central bank, the People's Bank of China, and the Ministry of Posts and Telecommunications and was set up to meet the needs of the financial industry, the official China Daily newspaper said.

The network would soon link major banks such as Bank of China, People's Construction Bank of China, Agricultural Bank of China and Industrial & Commercial Bank of China as well as top government officials, it said.

The formation of the company follows the creation of Xinhua Financial Information Consultancy Ltd. in March to provide real-time stock and futures information.

The official Xinhua news agency has a 45 percent stake in Xinhua Financial, which is intended to compete with foreign information vendors such as Reuters Holdings PLC, Dow Jones-Telerate and Bloomberg Business News.

In January, Xinhua took regulatory control of real-time economic information supplied by foreign vendors under a decree issued by the State Council, or cabinet.

Two months ago, Xinhua said foreign financial news and information services had to apply for permission from Xinhua to conduct business, provide information about their fees and pay a charge equal to about 7 percent of their gross revenue from terminal sales in China.

In the past three years, news services including Reuters, Bloomberg and Dow Jones have expanded their staffs in China and intensified the competition there among providers of news including economic statistics, company earnings, financial market reports and interviews with government officials and company executives.

The regulations China issued in April followed a State Council circular published in January authorizing Xinhua to accredit, monitor and take fees from foreign financial news agencies as well as to screen all customers, domestic and foreign.

U.S. officials criticized the plan, saying it amounted to an attempt to take control of copyrighted information. The acting U.S. trade representative, Charlene Barshefsky, brought up the issue in trade talks in Beijing last week that resulted in a last-minute agreement between the United States and China to enforce a 1995 agreement on intellectual property rights.

Xinhua already controls the distribution of foreign news agency articles to Chinese media. The regulations the state issued in April extended that control to include financial information sold to banks, securities companies and other customers for financial information.

Foreign news suppliers are required to provide Xinhua with free terminals so that the center can monitor their information. *(Bloomberg, Reuters)*

Malaysia's Big Dam: Stop or Go?

Reuters

KUALA LUMPUR — Work on a hydroelectric dam in Borneo can proceed for the time being despite a court ruling that the project violated Malaysia's environmental law, Deputy Prime Minister Anwar Ibrahim said Saturday.

Mr. Anwar was quoted by the Bernama news agency as saying he had received a report from Attorney General Mohtar Abdullah that did *not state specifically whether work* on the $5.5 billion Bakun dam project should go on or stop.

"The attorney general is studying the whole implication of a temporary work stoppage on the Bakun project before making a final decision on it," Mr. Anwar said.

Mr. Anwar said the attorney general's report had said the court ruling should be respected but also pointed out that the court had not ordered work to be stopped.

A Malaysian High Court judge ruled Wednesday that the project in Sarawak state violated the country's environmental law and that a new environmental-impact assessment would have to be submitted.

People in nongovernmental organizations and legal circles said they thought the ruling meant work on the project should stop immediately.

A South Korean company is building tunnels to divert a river to the dam site.

Environmentalists have criticized the scale of the project, which will clear 69,000 hectares (170,000 acres) of forest land, flood an area the size of Singapore and force more than 9,000 tribal residents to move.

Malaysia's Ekran Bhd. will sign an agreement with ABB Asea Brown Boveri AG in August, a company lawyer said.

U.K. Police Plan Sumitomo Visit

Reuters

LONDON — Investigators from the Serious Fraud Office plan to go to Japan this week as part of an inquiry into whether a former Sumitomo Corp. copper dealer had acted alone in amassing $1.8 billion in losses from about a decade of unauthorized trades.

The investigators plan to interview company officials and Japanese authorities. The office did not say whether they would also meet the trader himself, Yasuo Hamanaka.

The inquiry is part of an international effort to establish whether Mr. Hamanaka was acting alone in trying to rig copper prices or whether there was a web of malpractice.

The British markets regulator, the Securities and Investments Board, said last week that it was investigating British brokers' involvement in Mr. Hamanaka's activities.

In the United States, a federal grand jury has begun its own inquiry into the Sumitomo losses.

Reports over the weekend continued to suggest that Winchester Commodities Group of Britain and Global Minerals & Metals Corp. of the United States had had dealings with Mr. Hamanaka that might become part of the investigation. The companies have said they will cooperate fully with investigators.

"Winchester has nothing to fear from such inquiries," that company said. A Global representative said the company was sure it had done "nothing wrong."

On the London Metal Exchange, where most copper futures contracts are traded, dealers are trying to unravel how much of Sumitomo's position has been liquidated and how much remains in the market.

Benchmark three-month futures closed Friday at $1,890 a ton, up from a two-year low Monday of $1,800 but down 30 percent from May 9.

The timing of the decline led some dealers to say that Mr. Hamanaka had begun to unwind the Japanese bank's positions in May. But there is widespread concern that the full force of the losses has yet to be felt.

EU Leaders Shelve $1.5 Billion Plan For Public Works

Compiled by Our Staff From Dispatches

FLORENCE — Despite the European Union's persisting jobs crisis, the 15 member nations' leaders failed at their weekend summit meeting to back a $1.5 billion public works program aimed at creating jobs.

A proposal dating from 1993 by the EU's executive commission for 14 trans-European transport links was blocked by Germany, Britain and the Netherlands.

Chancellor Helmut Kohl of Germany said the need to meet the Maastricht Treaty's financial criteria for a single European currency required fiscal austerity and public spending cuts, making it impossible for him to support the program.

"The responsibility for employment and growth clearly rests at national level," he said. "Everyone agrees on this."

Separately, EU leaders expressed "deep concern" about efforts by the United States to punish non-American companies that do business in Cuba, Iran and Libya. EU officials are fuming over the Burton-Helms Act, passed in March, under which a European company could be taken to court in the United States over business done in Cuba. U.S. legislation to punish those doing business in Iran and Libya also is pending.

The EU "asserts its right and intention to react in defense of the European Union's interest in respect to this legislation and any other secondary-boycott legislation having extraterritorial effects," the leaders said. They also agreed to map out within six months a plan to prevent nations left outside the EU's future common currency zone from allowing their currencies to slide.

By the same year-end deadline, the heads of government said they would complete a "stability pact" aimed at committing nations within the monetary union to the same budgetary objectives.

Prime Minister Romano Prodi of Italy said EU leaders had welcomed Italy's determination to reduce its deficit rapidly to try to meet the criteria for participation in the planned European monetary union.

But Mr. Prodi made clear that Rome's budgetary plans, and its chances of joining the single currency on the planned starting date of Jan. 1, 1999, were not part of the leaders' formal discussions.

Foreign Minister Lamberto Dini of Italy said the lira's return to the European exchange-rate mechanism would be discussed in the autumn.

Mr. Prodi, meanwhile, maintained a cautious stance about the chances of Italy participating in the single currency from its inception.

"It'll depend on many things," he said, "for example, what's going to happen to the others."

EU leaders called on members looking to join the initial phase of monetary union to "step up their efforts at budgetary consolidation," taking account of the "desirability of reducing expenditure rather than increasing revenue."

The leaders welcomed Commission President Jacques Santer's so-called confidence pact, a strategy for employing some of the 18 million jobless people in the EU. But they would not back his plan to transfer funds within the EU budget to the transportation projects. The 14 projects were drawn up two years ago to create jobs and try to improve the efficiency of EU economies.

The leaders instead referred the issue to finance ministers, many of whom argued that if the projects were worthwhile they could be financed by the private sector.

Only two of the projects have secured enough private and public funding to proceed.

On the so-called intergovernmental conference, a yearlong series of negotiations designed to prepare the EU to accept new members, the leaders said they wanted an outline of a treaty by December, when they are to gather in Dublin for their year-end meeting.

Ireland, which takes over the rotating EU presidency from Italy next Monday, has called a special summit meeting for October to carry on work left undone during the "mad cow" stalemate, when London blocked all EU decisions to protest a ban on British beef imports.

(Bloomberg, AP, Reuters, IHT, Knight-Ridder)

Tool Orders In U.S. Fall, Exports Rise

Bloomberg Business News

McLEAN, Virginia — Orders for U.S. industrial tools dropped 11 percent in May from the previous month, to $381.3 million from $428.6 million, even as demand from abroad doubled, the Association for Manufacturing Technology said Sunday.

But orders were 0.7 percent higher than in May 1995.

The drop from April stemmed from a 30 percent decline in domestic demand, which makes up about three-quarters of total orders, the association reported.

By category, orders for metal-cutting tools such as drills fell 34 percent, to $210.4 million, while orders for metal-forming tools such as stamp press machines rose 57 percent, to $170.9 million. Machine tool shipments fell 17 percent, to $398.0 million.

SBC-Warburg's Aim: Get BNP to Raise Bid

By Max Berley
Special to the Herald Tribune

PARIS — SBC-Warburg's offer to acquire Banque Nationale de Paris's investment subsidiary was an attempt to force the French bank to sweeten its own bid for the remaining shares in the company, an architect of the bid said over the weekend.

The British securities firm's offer Friday of 4.24 billion francs ($815.3 million), or 205 francs a share, for the bank's 84 percent stake in Compagnie d'Investissements de Paris came less than two weeks after BNP itself proposed to swap the 16 percent stake held by minority shareholders for BNP shares.

The unit holds stakes in some of France's most prominent companies, including Compagnie de Suez, Compagnie de Saint-Gobain, and Groupe Docks de France.

"BNP will have to counterbid because they see big value in the Suez stake," said Guy Wiser-Pratt, a New York-based investment manager who advised SBC-Warburg on its bid. The French bank used the unit last year to buy a 5 percent stake in Suez in what analysts called an unsuccessful takeover bid. BNP denied any plans then to buy the securities firm.

The latest move "throws the BNP offer out the window," Mr. Wiser-Pratt said.

"This is a way to force BNP to either raise its bid, to sell or to drop the offer," he said, adding that SBC-Warburg was confident BNP would make a higher offer for the minority shares.

When BNP proposed June 10 to swap shares in the unit for its own shares, BNP stock was trading at 202 francs a share. It closed Friday at 180, down more than 10 percent in two weeks but still up 3.80 francs from Thursday's close. The unit's shares were unchanged at 176.30.

The two offers this month are the latest chapters in a two-year battle between BNP and the minority shareholders, including SBC-Warburg and the American fund Elliott Associates, which have been increasingly critical of the substantial discount to net asset value at which the unit's shares have been trading.

The BNP offer was substantially lower than the prospective value of the company's assets upon liquidation, Mr. Wiser-Pratt said, estimating that value at around 240 francs a share.

SBC-Warburg owns 3 percent of the unit and has said it will buy all other shares if BNP accepts its offer. If the bank does decide to sell, Mr. Wiser-Pratt said, SBC-Warburg is sure to make a substantial profit liquidating the unit.

The conflict is also a test case in the growing battle for shareholders' rights in France. For Mr. Wiser-Pratt, the battle between BNP and its minority shareholders is emblematic of the growing power of shareholders in France.

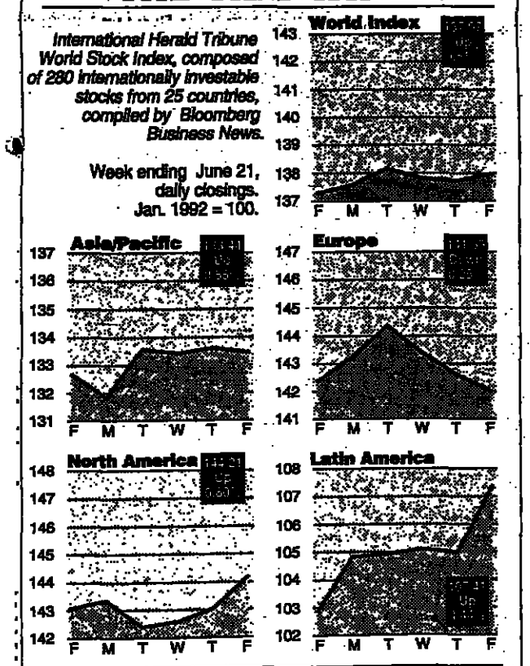
"The French are beginning to learn what Anglo-Saxon corporate governance is all about," he said, "and this is the first time someone has come up and kicked them in the teeth.

"It's a warning to all the other French companies with severe discounts to net asset value."

THE TRIB INDEX

International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News.

Week ending June 21, daily closings. Jan. 1992 = 100.



Industrial Sectors/Weekend close

	6/21/96 close	6/14/96 close	% change		6/21/96 close	6/14/96 close	% change
Energy	145.47	144.38	+0.75	Capital Goods	147.97	148.82	–0.57
Utilities	130.71	128.92	+1.39	Raw Materials	161.74	158.20	+2.24
Finance	120.00	119.71	+0.24	Consumer Goods	148.84	145.70	+0.78
Services	129.33	127.89	+1.13	Miscellaneous	137.67	140.85	–2.26

The Index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the Index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

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CURRENCY RATES

Cross Rates June 21

	$	£	DM	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	Cr	Peseta
Amsterdam	1.714	2.64	1.1208	0.3387	0.1717*	—	5.447*	1.3891	1.5738*	1.255	1.5335*
Brussels	31.46	48.435	20.5755	6.215	3.0679*	18.361	—	24.985	0.29	23.02	24.98*
Frankfurt	1.5285	2.3545		0.3018	0.1552*	0.8833	4.8581*	1.2141	1.4029*	1.1167	1.1984*
London (a)	1.5365	—	2.3541	7.978	3.348.30	2.6385	48.4225	1.9409	167.255	2.0899	197.01
Madrid	128.479	197.858	84.1083	24.815	12.397	75.033	4.0865	162.889	117.946*	94.014	—
Milan	1,534.45	2,363.80	1,005.10	296.47	—	896.35	48.805	1,219.60	14.331	1,122.60	11,944
New York (b)	—	1.5360*	1.5141	1.3005	1.5e-0.03	21.57	1.7195	1.267	108.715	1.3643	128.55
Paris	5.1775	7.9735	3.3884	—	0.5067*	1.8537	0.1647	4.714	4.7531*	1.7886	4.03*
Tokyo	108.60	167.83	71.13	21.03	10.708	63.46	2.4575	84.36	—	79.31	0.8465
Toronto	1.3643	2.0955	0.8883	0.2634	0.0899*	0.7934	0.0222*	1.1968	1.2592*	—	1.0955*
Zurich	1.2591	1.9402	0.8243	0.2433	0.0937*	0.7295	4.0862*	—	1.1567*	0.9224	0.9797*
1 ECU	1.2229	0.8536	1.9144	6.0569	1.705271	2.1453	39.3599	1.5768	163.478	1.7733	168.959
1 SDR	1.4423	0.9267	2.2345	7.4675	3.216.01	2.4696	45.2915	1.8147	156.631	1.9765	165.591

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich. Rates in other centers.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	241.17	Mex. peso	7.55	S. Afr. rand	4.36
Australian $	1.2647	Hong Kong $	7.7495	N. Zealand $	1.473	S. Kor. won	807.55
Austrian sch.	10.75	Hung. forint	152.85	Norw. krone	6.5225	Swed. krone	6.6278
Brazil real	0.9901	Indian rupee	35.05	Phil. peso	26.20	Taiwan $	27.64
Chinese yuan	8.3412	Indo. rupiah	2330.5	Polish zloty	2.72	Thai baht	25.32
Czech koruna	27.77	Irish £	0.6313	Port. escudo	154.66	Turkish lira	80800.
Danish krone	5.8632	Israeli shek.	3.268	Russ ruble	5047.	UAE dirham	3.671
Egypt. pound	3.3955	Kuw dinar	0.299	Saudi riyal	3.75	Venez. bolív.	471.00
Fin. markka	4.639	Malay. ring.	2.495	Sing. $	1.4087		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5393	1.5390	1.5390	Japanese yen	108.46	107.99	107.42
Canadian dollar	1.3655	1.3647	1.3639	Swiss franc	1.2555	1.2524	1.2496
Deutsche mark	1.5257	1.5228	1.5200				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banco Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

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Herald Tribune

CAPITAL MARKETS ON MONDAY

Treasury Issues Face a 'Minefield'

Compiled by Our Staff From Dispatches

NEW YORK — U.S. Treasury issues are in for a rough ride, traders said, as a schedule of two-year and five-year note auctions this week sets the stage for a meeting of the Federal Reserve Board's policy-making body next week.

The Treasury will sell $18.75 billion of two-year notes Tuesday and $12.50 billion in five-year notes Wednesday. The bond companies that buy notes from the Treasury often drive down prices before auctions to spur demand for new paper.

Traders cited other reasons the market might not be able to absorb the new supply, including the two-day Fed meeting opening July 2 and June employment data coming out July 5. Constraints on portfolios could also hurt bonds, they said, as managers square away positions before the end of the quarter Friday.

U.S. CREDIT MARKETS

"If there ever was a packed minefield for the market to wind its way through, this is it," said Bill Feezer of Sanwa Securities.

The yield on the benchmark 30-year Treasury bond ended last week unchanged at 7.09 percent.

"The market is more concerned about the auctions," said Neil deSarno of CIBC Wood Gundy, adding, "Buying basically dried up."

Bond prices are likely to tumble if the Fed's Open Markets Committee raises interest rates next month, some investors said, because the market had largely decided the Fed would not tighten.

"If they surprise us and raise rates," said Patrick Dimick of CS First Boston, "we're probably going to sell off pretty hard." *(Knight-Ridder, Bloomberg)*

Warning Bells Ring for Investors

OECD Says Monetary Policy Is Vital to Prevent Broad Slump

By Carl Gewirtz
International Herald Tribune

PARIS — Admittedly it's a big "if." But were politicians to do what they say they would like to do and slash government deficits, then the financial landscape would be transformed.

Or, as the Organization for Economic Cooperation and Development put it last week in its semiannual Economic Outlook, a simultaneous fiscal consolidation in virtually all the world's industrialized countries would "represent a unique situation."

In a nutshell, the OECD says that monetary policy will have to bear the burden of preventing all major industrialized nations from falling into a simultaneous slump.

Declining interest rates, it says, will become the main mechanism to sustain final demand during the transition to a structurally reformed economic system that will "enhance growth prospects, create jobs and ensure higher living standards."

While this may be too beautiful an outcome to expect from the hands of mere politicians, investors and traders should read the report as a warning that the modern experience of slowdown followed by recovery followed by rising interest rates — which are already factored in to futures prices — may not be repeated in the present cycle.

"The message to investors is 'beware,'" says John Llewellyn, European economist at Lehman Brothers in London and formerly a senior economist at the OECD.

"Obviously, it's risky for investors to position themselves for a political event that hasn't yet happened. But if Germany and France do what they have indicated they intend to do and tighten fiscal policy further at the end of this year, it will be a unique event in its timing — tightening at the very early stages of a recovery.

"And to maintain the growth of activity, monetary policy will have to be supportive. Therefore there must be a possibility that European interest will not bottom out — as now forecast in futures prices — but will go lower."

On the basis of existing government policies, the OECD report sees room for short-term German interest rates to decline, then recover to present levels by mid-1997 and rise a further quarter-point by the end of that year.

By contrast, in the futures market three-month money for delivery in the autumn of 1997 trades at a percentage point above the current level.

The OECD report also indicates that the recurrent market fears of an imminent increase of Japanese rates are misplaced, as policy must be directed at reducing the fiscal deficit.

"Any prolonged delay in reducing deficits might rapidly create an unsustainable situation," the report said.

Only in the United States does the OECD see a current need for a modest rise in short-term rates of 0.3 percentage point, on the grounds that the rise in long-term market interest rates of almost a percentage point so far this year will help to restrain the robust recovery now under way.

As for further U.S. efforts to reduce federal spending that would justify interest rate cuts, private analysts are skeptical. Jim O'Neill at Goldman Sachs in New York said the mood in Washington had shifted from balancing the budget to cutting taxes. "The momentum for fiscal restraint is fading," he said.

Albert Wojnilower, the doyen of U.S. analysts, agrees and argues that policymakers — especially in Europe — are putting the cart before the horse. Budget cutting, he insists, is made possible by strong growth, not vice versa.

"Fiscal consolidation can only succeed in conditions of prosperity," Mr. Wojnilower said. "In Europe we see that efforts at fiscal retrenchment in a period of economic slack only result in the deficit turning out to be bigger than it was at the start."

As for expecting an accommodative monetary policy to provide growth in a period when government spending is being reduced, he says: "National economies are not sealed compartments such that you can turn up the air-conditioning full blast in one room and the heating full-blast in another. If you do, all you get is one very mixed-up situation."

See BONDS, Page 14

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending June 21. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
Austrian Schilling					
218	Austria	6½	11/17/05	99.2000	6.5500
233	Austria	6¼	05/31/06	96.7000	6.4600
247	Austria	6⅞	06/20/05	101.6000	6.7700
British Pound					
224	DSL Fin	7½	12/27/00	99.8750	7.5100
Canadian Dollar					
164	Canada	7½	03/01/01	106.9598	7.0100
212	Canada	7	12/01/06	95.3982	7.3400
Danish Krone					
11	Denmark	9	11/15/98	108.2200	8.3200
13	Denmark	8	03/15/06	102.8200	7.7800
26	Denmark	6	12/10/99	101.0000	5.9400
28	Denmark	9	11/15/00	110.3200	8.1600
41	Denmark	8	11/15/01	106.1800	7.5300
42	Denmark	8	05/15/03	105.0500	7.6200
49	Denmark	7	12/15/04	98.4500	7.1100
51	Denmark	7	08/15/97	102.7900	6.8100
56	Denmark	7	11/10/24	85.1800	8.2200
186	Nykredit	6	10/01/26	79.9000	7.5100
213	Denmark T-bills	zero	01/02/97	97.9982	3.8400
215	Denmark	6¼	02/10/97	101.1700	6.1800
219	Denmark	9	11/15/96	101.8500	8.8400
228	Denmark	10	11/15/96	102.0000	9.8000
238	Denmark	7	02/15/98	103.5800	6.7600
Deutsche Mark					
1	Germany	5¾	08/22/00	101.4067	5.6700
2	Germany	5⅛	11/21/00	99.0000	5.1800
3	Germany	8¾	08/20/01	113.7150	7.6900
4	Germany	6	02/16/06	95.3850	6.2900
5	Germany	6¼	04/26/06	97.0667	6.4400
6	Germany	6	01/05/06	95.4440	6.2900
7	Germany	8	01/21/02	109.7125	7.2900
8	Germany	5¼	02/21/01	99.0000	5.3000
9	Germany	5⅝	05/15/00	102.0000	5.7600
10	Germany	6½	10/14/05	99.0883	6.5600
12	Germany	6⅞	05/12/05	101.7933	6.7500
15	Germany	8⅜	05/21/01	111.4700	7.5100
16	Germany	8¼	09/20/01	110.9700	7.4300
17	Germany	8½	02/20/01	111.5500	7.6200
18	Germany	7⅜	01/03/05	105.1500	7.0100
19	Germany	8	07/22/02	109.7600	7.2900
22	Germany	6⅜	05/20/98	103.8400	6.1400
23	Germany	6½	03/15/00	104.1533	6.2400
24	Treuhand	7⅛	01/29/03	104.8450	6.8000
25	Treuhand	6¾	07/09/03	101.6300	6.5200
27	Treuhand	6⅞	06/11/03	103.1400	6.6700
29	Germany	6¼	01/04/24	86.4300	7.2300
30	Treuhand	7½	09/09/04	106.0700	7.0700
31	Germany	6½	07/15/03	100.9900	6.4400
32	Treuhand	6½	04/23/03	101.2171	6.4200
33	Germany	7	01/13/00	105.9000	6.6100
35	Germany	9	01/22/01	113.4200	7.9400
36	Treuhand	6⅛	06/25/98	103.4300	5.9200
37	Germany	8¼	07/21/97	104.6900	7.8800
38	Treuhand	7⅜	12/02/02	106.3000	6.9400
39	Germany	9	10/20/00	113.0783	7.9600
43	Germany	6¾	09/15/99	105.4300	6.4000
44	Germany	7¼	10/20/97	104.1780	6.9600
45	Germany	7½	11/11/04	106.0700	7.0700
46	Germany	8⅞	12/20/00	112.8100	7.8700
48	Treuhand	7¾	10/01/02	108.2967	7.1600
50	Treuhand	6¾	07/01/99	104.0500	6.1300
53	Germany	8	03/20/97	103.1800	7.7500
57	Germany	5¼	11/20/97	101.7100	5.1600
58	Germany	6¾	04/22/03	102.6800	6.5700
59	Treuhand	6¾	05/13/04	101.6260	6.6400
61	Germany	8¾	07/20/00	111.9100	7.8200
62	Germany	6⅝	01/20/98	103.7400	6.3900
63	Germany	6¾	07/15/04	101.4567	6.6400
64	Treuhand	7	11/25/99	106.1200	6.6000
65	Germany	8	09/22/97	104.9100	7.6300
68	Germany	5¾	08/20/98	102.8100	5.5900
69	Germany	6	02/20/98	102.9100	5.8300
72	Treuhand	5	12/17/98	101.0420	4.9500
75	Treuhand	5¾	04/29/99	102.5800	5.6100
76	Germany	6	09/15/03	98.5100	6.0900
79	Treuhand	6¼	07/29/99	103.7400	6.0200
80	Germany	6⅝	12/02/98	105.2667	6.5300
81	Germany	5¼	02/25/98	101.7300	5.1600
85	Germany	7	12/22/97	104.1900	6.7200
90	Germany	6	06/20/16	87.0900	6.8900
91	Germany	8½	08/21/00	111.1750	7.6500
94	Treuhand	6¼	03/04/04	98.9017	6.3200
96	Germany	6⅛	05/20/99	103.6600	5.9100
97	Germany	7½	10/20/97	104.4900	7.1800
98	Treuhand	5⅝	09/24/98	102.4733	5.4900
99	Germany	7¼	10/21/02	105.9600	6.8400
100	Treuhand	5	01/14/99	101.0171	4.9500
101	Germany	7⅛	12/20/02	105.0840	6.7800
102	Treuhand	6⅛	03/26/98	103.2325	5.9300
103	Germany	5¾	08/20/97	102.1600	5.6300
106	Germany	5¼	10/20/98	101.8440	5.1500
109	Germany	6⅜	05/20/97	102.4000	6.2300
112	Germany	6⅞	02/24/99	105.3300	6.5300
116	Germany	8½	08/20/96	100.7500	8.4400
119	Germany	7¾	02/21/00	108.1433	7.1700
122	Treuhand	6	11/12/03	98.0000	6.1200
123	Germany	8⅜	01/20/97	102.7000	8.1500
128	Germany	5¾	05/28/99	102.4900	5.6100
133	Deut Bundbahn	6⅛	10/28/03	98.3000	6.2300
138	Germany	8¾	05/22/00	111.8000	7.8300
139	Germany	6¾	08/14/98	103.9575	6.1300
153	Germany	6½	02/20/97	101.8500	6.3800
160	Germany	7¼	01/20/00	106.5729	6.8000
163	EIB	6	10/22/03	98.0500	6.1200
168	Germany	3.192	09/30/04	99.0400	3.2224
170	Germany	5⅝	02/22/99	101.8950	5.2800
172	Germany	6	03/20/97	101.7600	5.9000
176	CDADS	zero	09/19/96	99.1657	3.3400
178	Germany	6⅜	08/20/97	102.8100	6.2000
179	Germany	8½	09/20/96	101.1600	8.4000
182	World Bank	7⅛	04/12/05	102.9500	6.9200
183	Germany	7	09/20/99	105.7500	6.6200
185	Britain	7⅛	10/28/97	103.9500	6.8500
199	Bayernhypo Fin	5½	06/18/01	98.9000	5.5600
205	Germany	6¼	02/20/98	103.2000	6.0600
234	Fannie Mae	6	08/23/00	101.9362	5.8900
239	Germany	6½	01/02/99	104.2150	6.2400
241	Credit Foncier	7¼	02/24/03	100.5500	7.2100
242	Germany	6¾	09/22/97	103.3800	6.5300
Dutch Guilder					
20	Netherlands	6¼	07/15/98	103.8500	6.0200
54	Netherlands	6	01/15/06	95.9800	6.2500
60	Netherlands	9	01/15/01	113.8000	7.9100
71	Netherlands	8½	03/15/01	112.0500	7.5900
82	Netherlands	7½	06/15/99	107.2500	6.9900
83	Netherlands	7	05/15/99	105.8000	6.6200
84	Netherlands	6¾	11/15/05	101.2000	6.6700
86	Netherlands	9	05/15/00	113.0500	7.9600
87	Netherlands	8¼	09/15/01	113.70	7.7000
88	Netherlands	5¾	01/15/04	96.6500	5.9500
92	Netherlands	6¾	02/15/99	105.1000	6.4200
93	Netherlands	7½	01/15/23	103.2500	7.2600
105	Netherlands	6½	04/15/03	102.1000	6.3700
107	Netherlands	7	03/15/99	105.7500	6.6200
110	Netherlands	6½	07/15/98	104.2500	6.2400
113	Netherlands	7	08/15/99	106.1500	6.5900
124	Netherlands	7½	04/15/10	105.2300	7.1300
127	Netherlands	8¼	02/15/00	110.0000	7.5000
131	Netherlands	8¼	02/15/02	111.5500	7.4000
132	Netherlands	7	06/15/05	103.1800	6.7800
135	Netherlands	7¼	10/01/04	105.3500	6.8800
147	Netherlands	8¼	06/15/02	111.8000	7.3800
161	Netherlands	7½	11/15/99	107.6500	6.9700
162	Netherlands	8¼	09/15/07	111.45	7.4000
165	Netherlands	7¾	03/01/05	108.2000	7.1600
166	Netherlands	8½	06/01/06	113.40	7.5000
187	Netherlands	8¼	02/15/07	111.3500	7.4100
194	Netherlands	9¼	11/30/00	114.6500	8.0700
226	Netherlands	7	02/15/03	105.0000	6.6700
227	Netherlands	7¾	01/15/00	108.3500	7.1500
ECU					
70	France BTAN	5	03/16/99	98.8900	5.0600
74	France OAT	7½	04/25/05	102.6250	7.3100
108	France OAT	9½	04/25/00	111.6475	8.5100
115	France OAT	8¼	04/25/22	104.3000	7.9100
117	France OAT	6	04/25/04	94.3383	6.3600
118	France OAT	6¾	04/25/02	101.1300	6.6700
126	France BTAN	7¼	03/16/98	103.5600	7.0000
129	Britain	9⅛	02/21/01	111⅛	8.2100
149	France BTAN	7½	03/16/97	101.9800	7.3500
155	UK Tbills	zero	08/15/96	99.4188	3.8700
174	UK T-note	5¼	01/21/97	100.2800	5.2400
180	Denmark	8½	04/24/02	109.0775	7.7900
195	Italy	9¼	03/07/11	111⅝	8.2900
201	France OAT	7	04/25/06	98.3750	7.1200
204	France B.T.A.N.	6	03/16/01	99.4500	6.0300
236	UK T-note	8	01/27/98	104.2650	7.6700
250	France OAT	10	02/26/01	114.8000	8.7100
French Franc					
95	France B.T.A.N.	5¾	03/12/98	101.6600	5.6600
145	France OAT	7¼	04/25/06	104.3100	6.9500
152	France OAT	6¾	10/25/04	101.4000	6.6600
175	France B.T.F.	zero	09/12/96	98.5115	6.7300
177	France BTAN	8	05/12/98	105.6900	7.5700
189	France OAT	5½	04/25/04	94.0900	5.8500
207	France BTAN	7¼	08/12/97	103.0700	7.0300
240	France OAT	7½	04/25/05	106.2000	7.0600
244	France BTAN	7	11/12/99	104.9900	6.6700
Italian Lira					
208	Credit Local	9	06/14/01	101.1250	8.9000
Japanese Yen					
140	World Bank	5¼	03/20/02	113½	4.6300
146	Saits 2		09/20/96	99.9990	—
209	Fannie Mae	2	12/20/99	99.7500	2.0100
210	Exim Bk Japan	2⅞	07/28/05	96.6250	2.9800
225	Italy	0.699	07/26/99	100.3100	0.7000
231	Japan Dev Bk	6½	09/20/01	119⅛	5.4600
235	World Bank	4¾	12/20/04	111⅛	4.2500
245	World Bank	4½	03/20/03	109.5000	4.1100
Portuguese Escudo					
137	Portugal	16	06/23/96	98.9925	16.1600
Spanish Peseta					
171	Spain	12¼	03/25/00	112.8600	10.8500
197	Spain	10.15	01/31/06	106.2690	9.5500
203	Spain	10.10	02/28/01	106.6030	9.4700
249	Spain	7.40	07/30/99	101.6645	7.2800
Swedish Krona					
104	Sweden	11	01/21/99	109.8878	10.0100
114	Sweden 1036	10¼	05/05/00	109.9496	9.3200
150	Sweden	13	06/15/01	121.9756	10.6600
184	Sweden	6	02/09/05	85.8674	6.9900
U.S. Dollar					
14	Brazil Cap S.L.	4½	04/15/14	61.8820	7.2700
21	Argentina FRN	6 5/16	03/29/05	76.5000	8.2500
34	Brazil par ZI	5	04/15/24	52.4047	9.5400
40	Brazil L	6½	04/15/06	78.0969	8.3200
47	Venezuela	6⅝	12/18/07	68.4300	9.6814
52	Argentina par L	5¼	03/31/23	52.5571	9.9900
55	Mexico par B	6¼	12/31/19	64.2021	9.7300
66	Bque Indosuez	zero	09/17/96	99.5220	1.7000
67	Venezuela A	6¾	03/31/20	58.7673	11.4900
73	Brazil 930.0	6⅜	01/01/01	89.2360	7.1400
77	Mexico par A	6¼	12/31/19	63.8263	9.7900
78	Brazil S.L.	6⅝	04/15/12	64.9495	10.1000
89	Brazil S.ZI	6½	04/15/24	68.0000	9.5600
111	Ecuador	3	02/28/15	45.3401	6.6200
120	Mexico	11½	05/15/26	89.5000	12.8500
121	Poland	6⅞	10/27/24	92.8800	6.9300
125	Venezuela	6½	03/31/07	69.8800	9.3000
130	Italy	6⅞	09/27/23	87.5000	7.8600
134	Canada	6½	05/30/01	98.5000	6.6000
136	Ford Motor	6⅞	06/05/01	98.1250	7.0100
141	World Bank	6¾	05/24/01	98.1250	6.5000
142	Brazil S.L.	6⅝	04/15/09	71.5000	9.1800
143	Poland	3¾	10/27/14	75.6610	4.9600
144	Argentina	5.422	04/01/01	111.40	4.8670
148	Mexico D	6.453	12/28/19	78.1200	8.2600
151	CDADS	zero	09/19/96	98.6288	5.5100
154	Argentina L	6⅞	03/31/23	67.5000	9.5400
156	Venezuela par B	6¾	03/31/20	58.7569	11.4900
157	Banca Di Roma	5.66	06/18/03	99.4900	5.6900
158	Ecuador par	3¼	02/28/25	35.6586	9.1100
159	Bulgaria	6¼	07/28/11	46.1255	13.5500
167	Sweden	4½	03/24/99	94.5000	4.7600
169	Canada	6⅜	07/21/05	93.8750	6.7900
173	TMCC	6½	05/29/01	98.1250	6.6200
181	Credit Foncier	8	01/14/02	100.5000	7.9600
188	Finland	5⅝	02/27/06	89.6250	6.5600
190	Poland par	2¾	10/27/24	50.2630	5.4700
191	Ontario	6⅜	06/28/00	97.2500	6.3000
192	Mexico A	6.398	12/31/19	78.1200	8.1900
193	World Bank	6⅝	07/21/05	94.5000	6.7500
196	Stadshypotek	5½	05/15/98	99.8000	5.5100
198	Bulgaria	6¼	07/28/24	51.3155	12.1800
200	Britain	7¼	12/09/02	101.0000	7.1800
202	Canada	6½	05/30/00	99.1250	6.5600
206	Sweden	6¼	12/30/98	99.3750	6.2900
211	Freddie Mac	6¾	05/30/06	96.3750	7.0000
214	NAB	6¼	06/17/98	99.3750	6.2900
216	ADB	6¼	10/24/05	93.1250	6.7100
217	Mexico	9¾	02/06/01	99.1250	9.8400
220	Italy	5.543	07/26/99	100.1600	5.5300
221	Venezuela S.A	6¾	03/18/07	69.8800	9.1200
222	CBA	7⅛	07/10/06	97.3750	7.3200
223	Finland	5⅜	05/06/99	99.9200	5.3800
229	Bco Com Ext.	7¼	02/02/04	80.5000	9.0100
230	World Bank	7⅝	01/19/23	100.1250	7.6200
232	Ontario	7¾	06/04/02	102.7500	7.5400
237	TMCC	6¼	06/14/99	98.8750	6.3200
243	IADB	6½	03/08/06	92.1250	6.6500
246	Mexico	7.102	03/30/08	95.6200	7.4300
248	Credit Lyonnais	6⅛	12/31/99	92.6300	7.1521

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Compagnie Parisienne de Réescompte	$200	2001	⅛	99.89	—	Over 3-month Libor. Noncallable. Fees 0.175%. Denominations $10,000. (CS First Boston.)
Foreningsbanken	$100	1998	libor	99.914	—	Interest will be the 6-month Libor. Noncallable. Fees 0.10%. Denominations $10,000. (Salomon Brothers Int'l.)
Hanil Bank	$200	1999	0.30	100.00	—	Over 6-month Libor. Noncallable private placement. Fees 0.15%. Denominations $500,000. (LTCB Asia.)
Pakistan	$100	2000	2.00	100.00	—	Interest will be 2.00 over 3-month Libor until Dec. 1997, when issue is redeemable at par, thereafter 2.20 over. Fees 0.40%. Denominations $10,000. (Citicorp Int'l.)
Peregrine Investments Holdings	$120	1999	0.90	100.00	—	Over Libor. Redeemable at par in 1998. Fees 0.30%. Denominations $500,000. Increased from $100 million. (Société Générale Asia.)
Pokphand Finance	$135	2001	1.20	100.00	—	Over 6-month Libor. Redeemable in 1999. Fees not disclosed. Denominations $500,000. Increased from $100 million. (Standard Chartered Investment Banking.)
Barclays Bank	DM350	2006	0.20	100.00	—	Interest will be 0.20 over 3-month Libor until 2001, when issue is callable at par, thereafter 0.70 over. Fees 0.40%. (Barclays de Zoete Wedd.)
Compagnie Bancaire	DM300	2000	0.09	100.00	—	Over 6-month Libor. Noncallable private placement. Fees not disclosed. (Bayerische Landesbank.)
Deutsche Bau-und Bodenbank	DM250	2001	⅛	100.09	—	Over 3-month Libor. Noncallable. Fees 0.20%. (DG Bank.)
SGZ Bank	DM300	2001	libor	99.49	—	Interest will be the 3-month Libor. Noncallable. Fees 0.20%. (Lehman Brothers Int'l.)
Acres Nbr 2	£98.45	2007	0.15	100.00	—	Over 3-month Libor. Reoffered at 99.94. Average life 3.15 years. Also £17.1 million, paying 0.45 over Libor. Fees 0.185%. Denominations £10,000. (Lehman Brothers Int'l.)
Bristol & West Building Society	£150	2001	1/16	99.94	—	Over 3-month Libor. Callable at par from 2000. Fees 0.15%. Denominations £100,000. (ABN-AMRO Hoare Govett.)
Caisse Centrale de Crédit Immobilier	£200	2001	0.031	99.748	—	Over 3-month Libor. Noncallable. Fees 0.15%. Denominations £10,000. (Barlcys de Zoete Wedd.)
Homeloans Nbr 2	£141.25	2028	0.14	100.00	—	Interest will be 0.14 over 3-month Libor until 2002, thereafter 0.45 over. Average life 4.9 years. Also £70 million, paying ⅛ over Libor until 1998, thereafter 0.20 over. Fees 0.20%. Denominations £10,000. (J.P. Morgan Securities.)
RJB Mining	£100	1997	¼	99.96	—	Over 3-month Libor. Noncallable. Fees not disclosed. (Barclays de Zoete Wedd.)
Bayerische Hypotheken und Wechsel Bank	FF1,000	1998	0.20	100.025	—	Interest will be 0.20 over 3-month Pibor in first year, thereafter a fixed 5%. Noncallable. Fees 0.15%. (Crédit Commercial de France.)
Compagnie Bancaire	FF2,000	2003	pibor	99.60	—	Interest will be the 3-month Pibor. Redeemable at 99.40 on any coupon date during first two years. Fees 0.15%. (Crédit Commercial de France.)
Crediop Overseas Bank	PTE15,000	2003	0.05	100.00	—	Over 6-month Lisbor. Noncallable. Fees not disclosed. (Caixa Geral de Depositos.)
Tokai Finance	Y20,000	2006	0.45	100.00	—	Interest will be 0.45 over 6-month Libor until 2001, when issue is callable at par, thereafter 1 over. Fees 0.30%. Also 5 billion yen of 10-year bonds paying a fixed 4%, and 5 billion yen of 11-year bonds paying 3.43 over Libor. Denominations 100 million yen. (Salomon Brothers Int'l.)
Fixed-Coupons						
ABN-AMRO Bank	$750	2006	7.55	99.986	99.95	Semiannually. Noncallable. Fees 0.40%. (ABN-AMRO Bank.)
Commonwealth Bank of Australia	$250	1999	6⅝	101.1455	99.85	Reoffered at 99.958. Noncallable. Fees 1⅞%. (Morgan Stanley Int'l.)
Daimler-Benz North America	$150	1998	6½	101.2125	99.70	Reoffered at 100.025. Noncallable. Fees 1⅞%. (Deutsche Morgan Grenfell.)
European Investment Bank	$200	1998	6¼	101.035	99.75	Reoffered at 99.81. Noncallable. Fees 1⅞%. (Daiwa Europe.)
Federal Home Loan Mortgage Corp.	$300	1999	6.925	100.00	99.90	Semiannually. Reoffered at par. Callable at par from 1997. Fees 0.15%. (J.P. Morgan Securities.)
Financiera Energetica Nacional	$250	2006	9⅜	99.295	—	Noncallable. Fees 0.65%. (J.P. Morgan Securities.)
LB Rheinland-Pfalz	$100	2000	5	100.885	99.00	Interest will be 5% until 1998, thereafter 8⅛%. Reoffered at 99.485. Noncallable. Fees 1⅝%. (Kredietbank.)
Norddeutsche Landesbank	$200	1998	6⅝	100.83	99.75	Reoffered at 99.83. Noncallable. Fees 1⅞%. (Nomura Int'l.)
Rabobank Nederland	$200	1998	6⅝	101.20	99.90	Reoffered at par. Noncallable. Fees 1.35%. (Bear Stearns Int'l.)
KFW Int'l Finance	DM300	2000	5¼	101.405	99.85	Reoffered at 99.88. Noncallable. Fees 1⅞%. (ABN-AMRO Bank.)
Rheinische Hypothekenbank	DM2,000	2001	5⅝	99.69	99.45	Noncallable. Fees 0.25%. (Commerzbank.)
Bayerische Vereinsbank	£125	2000	7½	100.90	—	Reoffered at 99.50. Noncallable. Fees 1⅝%. (ABN-AMRO Bank.)
Halifax Building Society	£400	2006	8¾	101.394	—	Reoffered at 99.794. Noncallable. Fees 2%. Denominations £10,000. (Barclays de Zoete Wedd.)
Japan Finance Corp. for Municipal Enterprises	£150	2006	8⅝	99.493	—	Noncallable. Fees 0.325%. (CS First Boston.)
Swedish Export Credit	£200	2001	7⅝	101.029	—	Reoffered at 99.404. Noncallable. Fees 1⅞%. (HSBC Markets.)
National Australia Bank	Aus$175	2000	8¾	100.04	99.95	Noncallable. Fees 1⅝%. Increased from Aus$100 million. (ABN-AMRO Hoare Govett.)
World Bank	NZ$200	1999	9	101.05	99.65	Noncallable. Fees 1½%. Increased from NZ$100 million. (Hambros Bank.)
BNG	Y10,000	2026	—	100.20	—	Interest will either be 5.95%, payable in dollars, or 6.15%, payable in marks, or 7.40%, payable in Australian dollars. Redeemable at market price from 2006. Fees 0.20%. Denominations 100 million yen. (IBJ Int'l.)
World Bank	Y20,000	perpt	—	100.20	—	Interest will either be 6%, payable in marks, or 6.10%, payable in dollars, or 6.40%, payable in Australian dollars. Callable at market price from 2006. Private placement. Fees 0.20%. (IBJ Int'l.)
Equity-Linked						
Bilbao Vizcaya Investments	$250	2006	3½	100.00	—	Semiannually. Redeemable at 136.646 at maturity to yield 6.20%. Convertible at 5,990 pesetas per share, a 21% premium, and at 128.37 per dollar. Fees 2½%. Denominations $10,000. (SBC Warburg.)
Italy	$925	2001	5	100.00	—	Semiannually. Callable at par from 2000. Convertible into INA shares at 2,422.60 lire per share, a 15.99% premium, and at 1,534.10 lire per dollar. Fees 2%. (Goldman Sachs Int'l.)
Italy	ITL1.42 T	2001	6½	100.00	—	Semiannually. Callable at par from 2000. Convertible into INA shares at 2,422.60 lire per share, a 15.99% premium. Fees 2%. (Goldman Sachs Int'l.)

The Week Ahead: World Economic Calendar, June 24-28

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Singapore:** National University of Singapore and Asia-Pacific Center for Environmental Law hold Asia Conference on Trade and the Environment. **Tokyo:** U.S. and Japanese negotiators meet Thursday and Friday to try to settle a dispute over a 1952 air passenger agreement.	**Lyon:** Group of Seven summit meeting and Alternative G-7 summit of Nongovernmental Organizations, Thursday through Saturday. **The Netherlands:** Visit by an Indian business delegation organized by the Federation of Indian Chambers of Commerce and Industry, Thursday and Friday.	**Milwaukee:** Alternative Fuels Conference and Exhibition, Tuesday through Friday. **Santiago:** National Development Forum, Thursday through Saturday.
Monday June 24	**Hong Kong:** Consumer price inflation for May. **Taipei:** May unemployment figures. **Tokyo:** Japan Automobile Manufacturers Association releases vehicle production for May.	**Copenhagen:** June consumer confidence index. **Earnings expected:** Bundeslaender-Versicherung AG, Ruhrkohle AG	**Ottawa:** International securities transactions for April. **Washington:** Agriculture Department reports on conditions of major U.S. crops.
Tuesday June 25	**Hong Kong:** Retail sales for April. **Taipei:** May money supply growth. **Taipei:** Foreign exchange reserves at the end of May. **Tokyo:** Economic Planning Agency releases diffusion index for April.	**Madrid:** Bank of Spain auctions securities repurchase certificates, which set the benchmark interest rate, currently 7.25 percent. **Paris:** Final May consumer price inflation, May housing starts and household consumption. **Stockholm:** May trade balance.	**Washington:** National Association of Realtors' May home resales data and Johnson Redbook weekly retail sales index. **Rio de Janeiro:** Weekly auction of 56-day central bank bonds.
Wednesday June 26	**Brisbane:** Shareholders in Metway Bank Ltd. vote on St. George Bank Ltd.'s takeover offer. **Tokyo:** Japan Automobile Manufacturers Association releases vehicle exports for May.	**London:** Bank of England gilt auction. **Paris:** May salary statistics and June business confidence survey. **Stockholm:** May producer prices and National Debt Office bond- auction results.	**Ottawa:** May industrial products price index and raw materials price index and April unemployment insurance figures. **Washington:** May durable goods orders.
Thursday June 27	**Canberra:** Monthly Skilled Job Vacancies Index. **Taipei:** Leading, coincident and color indicators for May. **Tokyo:** Industrial production for May and large retailers' sales.	**Bonn:** German Chamber of Industry and Commerce survey of export outlook. **Copenhagen:** May unemployment figures. **Paris:** April trade balance and Bank of France securities repurchase tender.	**Washington:** Initial state unemployment compensation claims and May farm prices. **Ottawa:** Statistics Canada's April survey of manufacturing. **Sao Paulo:** Institute for Economic Research's weekly inflation figures.
Friday June 28	**Tokyo:** Unemployment rate and job-to-applicant ratio for May. **Wellington:** First-quarter gross domestic product.	**Copenhagen:** First-quarter gross domestic product. **London:** Balance of payments data and final estimate of first-quarter gross domestic product. **Paris:** National statistics office Insee publishes half-yearly economic outlook.	**Houston:** Baker Hughes's count of active oil and gas drilling rigs. **Washington:** First-quarter economic growth estimate; quarterly reports on grain held in storage, hogs and pigs on farms and farmers' intentions on hog breeding over the next six months.

Last Week's Markets

Stock Indexes

			% Ch'ge
United States			
DJ Indus.	5705.23	5,649.45	+0.99
DJ Util.	210.52	207.45	+1.48
DJ Trans.	2206.31	2,203.45	+0.13
S & P 100	646.17	642.32	+0.60
S & P 500	666.84	665.85	+0.15
S & P Ind	796.06	794.38	+0.21
NYSE Cp	357.02	357.19	—0.05
Japan			
Nikkei 225	22,530.65	22,289.39	+1.08
Britain			
FTSE 100	3,722.30	3,753.60	—0.83
Canada			
TSE Indus.	5047.54	5,030.19	+0.34
France			
CAC 40	2,084.22	2,111.78	—1.31
Germany			
DAX	2,540.11	2,548.83	—0.34
Hong Kong			
Hang Seng	10,855.30	10,865.00	—0.09
World			
MSCIP	775.09	773.99	+0.14

World Index from Morgan Stanley Capital Int'l Perspective.

Money Rates

United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅜	5¼
Japan		
Discount	0.50	0.50
Call money	0.44	0.39
3-month interbank	0.66	0.56
Britain		
Bank base rate	5¾	5¾
Call money	5⅝	5⅝
3-month interbank	5 11/16	5 11/16
France		
Intervention rate	3.60	3.60
Call money	3¾	3¾
3-month interbank	3 13/16	3 13/16
Germany		
Lombard	4.50	4.50
Call money	3.40	3.35
3-month interbank	3.44	3.40

Gold	Jun. 21	Jun. 14	% Ch'ge
London p.m. fix.$	383.20	384.10	-0.23

Euromarts

Eurobond Yields

	June 21	June 14	Yr high	Yr low
U.S. $, long term	7.06	7.06	7.09	6.17
U.S. $, mdm term	6.77	6.76	6.77	5.61
U.S. $, short term	6.44	6.41	6.48	5.19
Pounds sterling	7.76	7.76	7.88	6.99
French francs	5.89	5.87	6.38	5.83
Italian lire	8.76	8.85	10.45	8.76
Danish kroner	6.07	6.11	6.51	5.95
Swedish kronor	6.95	6.99	8.55	6.95
ECUs, long term	7.12	7.09	7.50	6.86
ECUs, mdm term	6.13	6.13	6.56	5.89
Can. $	7.34	7.31	7.39	6.56
Aus. $	8.76	8.83	9.04	7.99
N.Z. $	9.07	9.09	9.13	7.04
Yen	2.53	2.55	2.74	2.28

Source: Luxembourg stock exchange.

Weekly Sales

June 20

Primary Market	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	26.0	453.7	528.5	1,717.2
Convert.	—	1.0	141.0	102.8
FRNs	229.2	372.2	490.0	1,092.3
ECP	16,449.8	9,420.7	10,027.5	8,984.8
Total	16,705.0	10,247.6	11,187.0	11,897.1

Secondary Market	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	14,652.3	19,384.7	51,374.9	23,922.3
Convert.	628.9	715.3	2,651.9	1,724.0
FRNs	10,138.3	6,069.7	40,546.6	5,190.2
ECP	13,663.5	12,670.4	22,303.6	25,972.4
Total	39,083.0	38,840.1	116,877.0	56,808.9

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5 7/16	5 9/16	5¾
Deutsche mark	3½	3⅜	3½
Pound sterling	5⅝	5 11/16	5 13/16
French franc	3⅞	4	4 1/16
ECU	4 7/16	4 7/16	4½
Yen	⅜	⅜	9/16

Sources: Lloyds Bank, Reuters.

هكذا من الأصل

MUTUAL FUNDS

Figures as of close of trading Friday, June 21

Favorite Holdings

Three of Pilgrim Baxter & Associates' funds and the top five holdings in each.

Fund	*Description*	*Top five holdings**
PBHG GROWTH Flagship fund Assets: $4.9 billion 12 month return: 53.62%	*Invests in small and* medium-sized, fast-growing companies	*Ascend Communications* U.S. Robotics Cascade Communications Corrections Corp. of America Clear Channel Communications
PBHG EMERGING GROWTH 2d largest fund Assets: $1.2 billion 12 month return: 59.29%	Invests in small, fastgrowing companies	U.S. Office Products Security Dynamics Papa John's International Target Therapeutics Inso
PBHG SELECT EQUITY Top performer Assets: $420 million 12 month return: 75.09%	Invests in 25 to 30 fastgrowing companies	Cascade Communications Peoplesoft U.S. Robotics Quintiles Transnational Dell Computer

Source: Pilgrim Baxter & Associates *As of June 10.

IHT

Small Mutual Funds, Big Appetites

By Edward Wyatt
New York Times Service

NEW YORK — For 18 months, mutual-fund investors have been feasting on a fat stock market. Now, they are starting to look like gluttons.

Cash continues to pour into the most aggressive sector of mutual funds, those that invest in the stocks of the smallest companies.

The smaller the better, the rule seems to be. According to Lipper Analytical Services, funds that specialize in small-company stocks gained 18.4 percent from Jan. 1 through mid-June and rose 33.4 percent over the past year. Many of the funds that focus on the stocks with the smallest market capitalizations have scored even bigger gains.

No group has done better, in fact — not funds that specialize in medium-sized or large-capitalization companies, in underperforming "value" investments or in specific sectors such as gold, technology or Latin America.

But investors are not the only ones with big appetites. Mutual-fund companies, apparently concerned that 7,000 funds are not enough for the millions of Americans who keep flinging money at the industry, cannot seem to start new funds quickly enough.

The latest and most prominent of the start-ups is the Van Wagoner funds, managed by Garrett Van Wagoner, who over three years guided the Govett Smaller Companies fund to a 51 percent average annual gain, higher than that of any other mutual fund in America.

In January, Mr. Van Wagoner set out on his own and started three funds: Emerging Growth, Micro-Cap and Mid-Cap. By the end of last week, investors had poured more than $1 billion into the manager's new portfolios.

So far, their performances have been stellar. The Van Wagoner Emerging Growth fund is one of the top performers this year, gaining 45.2 percent.

Sensing more riches to be had, the entrepreneurial Mr. Van Wagoner has now filed with the Securities and Exchange Commission for permission to

INVESTING

start three more funds, which he would also run. The new funds will specialize in capital appreciation, growth and "post-venture capital" companies — the youngest, least seasoned ones.

There are two obvious problems with a strategy like Mr. Van Wagoner's. First, even the smartest fund manager can slice a niche only so thin. How different, really, are post-venture capital, micro-cap and emerging growth companies? And can one manager find enough investments to make all those funds work well?

Logic says no. The first evolutionary law of mutual funds dictates that superior performance brings in new assets, increasing a fund's size. That, in turn, makes it more difficult to buy tiny stocks in large enough proportions to allow each to affect the fund's performance.

Alternatively, a manager who runs several small-stock funds must have enough new ideas to minimize overlapping. If Mr. Van Wagoner's funds all owned the same stocks, the result would be the same as if the money were in one portfolio.

Much of the recent outperformance on the part of the smallest stocks has come as money managers have blindly bought shares of initial public offerings and quickly sold them.

"The new-issues market is driven by the overall demand for small-company stocks," said Robert Natale, director of equity research at Standard & Poor's Corp. Recently, however, demand for initial public offerings has cooled. The Bloomberg index that tracks new issues in their first year has fallen 10 percent in a month. When the momentum turns away from small stocks, it tends to do so quickly: The movement resembles a wind shear more than a shifting breeze.

■ Fidelity Curbs Short-Selling

Fidelity Investments has enacted a rule to ban its portfolio managers from making short sales of stocks in their personal accounts — in effect, betting that a stock's price will decline — if the stock is held by any of Fidelity's 238 mutual funds, Bloomberg Business News reported from Boston.

The new rule is being enforced amid concern that some Fidelity managers have been too aggressive in making trades in personal accounts.

'New Rich' Quick To Grow Richer

Income Gap Widens in China

Reuters

BEIJING — The gap is widening between China's rich and poor, as corrupt officials and television stars earned 20 times the wages of workers at ailing state enterprises last year, a report said Sunday.

Loopholes in the fledgling tax system coupled with evasion mean that taxation has failed to reduce the growing disparity between China's new rich and its poor, said the report based on a survey by the State Statistical Bureau.

When China's senior leader, Deng Xiaoping, launched his market-oriented reform efforts, he proclaimed an end to communist egalitarianism and said, "Let some people get richer faster than others" — a slogan that has helped fuel an economic boom.

In 1995, however, the gap between China's richest 10 percent of households and its poorest 10 percent grew almost fourfold, according to the report carried in the China Daily's business weekly.

Among China's urban households, 41 percent saw their actual income decline last year from 1994 even though inflation-adjusted urban income grew 4.9 percent, the report said.

The poorest of China's five urban income groups, accounting for 3.8 percent of city families, earned less than 5,000 yuan ($599) per household last year. Slightly more than 36 percent of urban households fall into a second category, earning no more than 10,000 yuan.

Most families in that income group lived in smaller cities where state work units and enterprises were losing money and families could raise no extra income, the report said.

About 70 percent of China's 100,000 state companies are in the red, and many have sent workers home on half pay because they cannot afford to pay full wages.

Just over 50 percent of Chinese families fall into the 10,000-20,000 yuan income bracket, and these households are mainly in medium-sized or large cities, particularly along China's prosperous coastline, it said.

About 6.8 million households, or 8 percent, fall into the next-highest category, with incomes of as much as 100,000 yuan a year, the report said.

The average annual income in China's 35 major cities was 5,059 yuan last year after adjusting for inflation, earlier official figures showed. China's farmers, who account for 80 percent of the total population of 1.2 billion, earned an average of 1,578 yuan last year.

SHORT COVER

Insurer GAN Rejects Sale Scenarios

PARIS (Bloomberg) — The chairman of Groupe des Assurances Nationales, a French state-owned insurer, has ruled out the purchase of its CIC banking unit by CIC's own subsidiaries, saying far too little cash would be raised to meet the parent company's needs.

"All the possible scenarios have been studied," Jean-Jacques Bonnault, the chairman, said Saturday. "That of a privatization from the bottom up does not satisfy — and not by a long shot — our cash requirements."

The French government has asked the insurer to put a majority stake in CIC on the market to pave the way for GAN's own financial recovery.

Egypt Offers Shares in Brewery

CAIRO (Reuters) — The state's Holding Company for Housing, Tourism and Cinema said Sunday it would offer at least 900,000 shares in the country's only brewery, Al-Ahram Beverages, at 67 pounds ($20) a share.

It said the offering, equivalent to 20 percent of the company's equity, would be open from Friday to July 2.

Paper Says TV Asahi to Go Public

TOKYO (Reuters) — The Japanese television network Asahi National Broadcasting Co. is preparing to go public as early as 1999, a business daily reported Sunday.

The listing of TV Asahi, whose major shareholder was acquired last week by the computer-software company Softbank Corp. and the media conglomerate News Corp., has been agreed to by corporate shareholders and network executives, the Nihon Keizai Shimbun reported.

Algeria Puts Up 134 Firms for Sale

PARIS (Reuters) — Algeria has put up for sale 134 state-owned companies, including eight chemical plants and 17 hotels, industry sources said Sunday.

- **Most markets in Pakistan** were closed Sunday in response to a strike called by an opposition party to protest proposed new taxes, local observers and opposition sources said.
- **Singapore's** May consumer price index was up 1.2 percent from a year earlier and up 0.5 percent from April, the Department of Statistics said Sunday.
- **Bayan Telecommunications Holdings Corp.** has sought to expand its service area for it to install 450,000 additional lines in the next three years.
- **China's economy** is expected to expand 9.8 percent this year, helped by a 13 percent rise in overseas investment and gains in agriculture, according to a state forecast.

Reuters, Bloomberg

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Sell Airbus Firms, German Urges

Compiled by Our Staff From Dispatches

FRANKFURT — The head of Daimler-Benz Aerospace AG, Manfred Bischoff, has come out in favor of privatizing two state-owned aircraft makers as part of a plan for the Airbus Industrie consortium to reorganize itself.

The European jetmaker must become more efficient, the chairman said over the weekend, and the privatization of Aerospatiale of France and Construcciones Aeronáuticas SA of Spain would help its efforts to do so.

While Daimler-Benz Aerospace, the German element of the four-member consortium and a subsidiary of Daimler-Benz AG, has focused on high returns on capital, Construcciones and Aerospatiale have pursued political goals, Mr. Bischoff told a bankers' forum, adding that a compromise on such aims needed to be worked out to ensure smooth-er operations at Airbus.

"Redundant national capabilities must be reduced in order to set up cost-efficient structures," he said.

He also said the consortium's future would depend on its ability to break the monopoly on larger airliners held by Boeing Co. with its jets, including the new 777.

Airbus should decide by the end of the year whether it will build a larger plane, Mr. Bischoff said.

Boeing delivered its 38th 747 airliner to Singapore Airlines Inc. on Friday as analysts on Wall Street lauded the U.S. company for its increased market share.

The Airbus partners agreed last week to change the ownership structure of the consortium, but details of an Airbus restructuring have not been worked out.

The fourth Airbus partner, British Aerospace PLC, was privatized in the 1980s.

(Reuters, Bloomberg)

■ Air-Show Glut Decried

President Suharto opened an international air show in Jakarta over the weekend with a pledge to hold the display every two years, but exhibitors said the region had too many such events, Reuters reported from Jakarta.

The Indonesian show could come into direct competition with the Asia Aerospace show in Singapore, held in February of even-numbered years. Other countries in the region with regular air shows include Australia, China, Japan, Malaysia, Singapore and South Korea.

"There is a proliferation of air shows," said Susan Robinson of the Society of British Aerospace Companies, "and with budgets getting tighter, companies are going to have to decide which shows they are going to exhibit at."

ALCATEL
ALSTHOM

1996 Annual Shareholders' Meeting

"It is toward our future that we wish to turn. It is the men and women of our company, our clients and our shareholders who count. The challenges before us today are considerable, but so are our strengths."

Serge Tchuruk

Extract's from the Chairman's Address

Dear Shareholder,

One year ago, almost to the day, I was appointed Chairman of Alcatel Alsthom. Today, I will present to you the major guidelines of the action undertaken since the last Annual Shareholders' Meeting.

During my first months in the Group, I realized that the previous management's hoped for market recovery was not occurring. The Group's results in 1995 confirmed the unfavorable trends experienced in 1994. That is why, as early as September 1995, I publicly presented my analysis of the situation and outlined a dynamic recovery plan.

The announcement of the Group's final results in March 1996 confirmed the diagnosis established in autumn 1995.

Income from operations, excluding non-recurring items, which decreased by FF 3.5 billion in 1994, once again decreased by FF 5.5 billion compared to the previous year.

The FF 25.0 billion loss registered in 1995 consists mainly of FF 24.0 billion in non-recurring provisions and adjustments.

The magnitude of these figures merits an analysis of the reasons for the deterioration. It is also necessary to define and implement the actions required to return quickly to a level of profitability comparable to that of our best competitors. This is possible and the management and the Group's employees are already working to achieve this objective by 1998.

What are the reasons and what are the actions?

The first reason is related to the fundamental change in the telecommunications equipment market that has adversely affected certain sectors, such as fixed network systems or undersea cables, where Alcatel has been traditionally strong.

Market growth has been accompanied by significant falls in prices and the result has been a net decrease in our margins. Productivity gains are therefore one important objective of the recovery plan. The measures, already largely undertaken, should give a reduction in operating costs of FF 7.0 billion per year from 1998 onwards.

Why hasn't our productivity followed the markets' development? This is because, and it is the second reason which caused our poor 1995 results, the Group's former organization was based on national structures. This organization no longer responded to the globalization of the markets which now calls for international management of product lines, thereby avoiding duplication.

I have therefore initiated a profound reorganization within the Group. This has been very quickly put into place. Divisions with world-wide product responsibility have been created in the Telecom and Cables sectors. In Europe, research and development sites and production centers are in the process of being regrouped. A higher level of efficiency is already occurring. The 900 legal entities which existed at the end of 1995 will be reduced to less than 500.

The merger with Alcatel Cable is an example of the simplification of the legal structure.

Lastly, a program to dispose of FF 10.0 billion of assets should be finalized by the end of this year. The objective is to focus the Group on its core businesses.

I am very much aware of the social and human consequences resulting from the recovery plan on the Group's employees, however, at the same time, Alcatel Alsthom's success relies on their motivation. The technological changes, which have occurred during the last two decades in our businesses, have already resulted in the loss of jobs. Today, the radical changes in our economic environment make new restructuring indispensable in most European countries. We have committed ourselves to take every consideration into account regarding local situations, in cooperation with our economic and social partners, with the objective of finding constructive solutions for the employees concerned.

But we should not lose sight of the fact that in businesses such as those of Alcatel Alsthom, energetic restructuring measures alone are not sufficient. The value of technological know-how is the first condition of success. The Group's knowledge is immense in all of the businesses in which it operates. Close to FF 16.0 billion is invested each year for research and development in order to renew and perfect its product and service offerings.

This effort has been maintained, even in the current circumstances. I am happy to note the strengthening of our order book, since the beginning of the year, recognizing and rewarding the quality of our technology. I would like to mention, in particular, the acceleration of our presence in the U.S in telecommunications and railway transportation. Considerable advances have been achieved in the mobile communication activities, notably in Asia, and in the energy field.

Today, the traumas created in your company by all kinds of difficulties, particularly in what was referred to as the "affairs", are fading and I am pleased with the atmosphere of confidence that now has been re-established with France Telecom.

It is toward our future that we wish to turn. It is the men and women of our company, our clients and our shareholders who count. The challenges before us today are considerable, but so are our strengths.

These are the signs of encouragement I wish to convey. The Board of Directors, sharing the confidence that I and all of the employees have for the future of the Group, has proposed a dividend of FF 8 per share despite the losses of last year. The Board also thanks you for your loyalty and the renewed confidence you have shown.

You may be assured of my full and personal commitment to the company for which I was made responsible a year ago.

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Nintendo Game Draws Crowds

Bloomberg Business News

TOKYO — Nintendo Corp.'s newest video-game machine, a long-awaited 64-bit player that the company has billed as state-of-the-art, went on sale in 20,000 Japanese stores Sunday.

Jun Ueda, a student, said he had waited in line all night to be sure he got one.

"Everyone's been talking about it," he said before paying almost 35,000 yen ($321) for the machine and a copy of Super Mario 64, the game that Nintendo hopes will spur sales of its new player.

Nintendo needs such fervor to make up ground lost last Christmas, when it delayed the launch of Nintendo64.

Once the undisputed king of video-game makers, Nintendo is being challenged by Sony Corp. and Sega Enterprises Ltd. Its sales fell 15 percent in 1995, while Sega's rose 4 percent.

Sony and Sega both released 32-bit game machines last year that were faster and more powerful than the 16-bit machine Nintendo was offering.

With Nintendo64, Nintendo leaped beyond the 32-bit generation altogether. The 64-bit chip offers more processing power, making possible games that are faster and more realistic. Nintendo is counting on that edge, as well as its widely promoted Super Mario 64 game, to regain pre-eminence in the $15 billion world video-game market.

Nintendo expects to sell 5 million of the new players and 20.6 million related game cartridges this year, bringing in sales of 22.2 billion yen, according to a report by UBS Securities Ltd.

"It's an amusement park that you can fit inside a drawer," a Nintendo representative said. "We've made something completely new."

In Tokyo's Akihabara district, with its hundreds of electronics stores, eager buyers agreed. "It's amazing," said Yosuke Shimizu, 19, computer graphics student waiting in line to make a purchase. "The movement is really smooth. But then, I've been hooked on Nintendo since I was little."

Fumiaki Sakai, an employee at a branch of the electronics retailer Sofmap, said the store had taken advance orders for 100 sets and had another 100 available early Sunday.

"We ordered more," he said, "but we were told that everything was gone." The next shipment, 80 sets, comes Thursday.

Nintendo64 is to be released Sept. 30 in the United States.

BONDS: *OECD Sets Off Investor Warning Bells*

Continued from Page 13

As an aside, he added, the amount of monetary ease needed to assure growth "would be so extraordinary" as to be unacceptable to central bankers.

But Mr. O'Neill said he thinks that the financial markets are wrong and that the OECD is correct in signaling that fiscal austerity in Europe and Japan will open the way for a further decline in German interest rates and a sustained period of low rates in Japan.

He expects a German rate cut at Thursday's policy-making meeting of the Bundesbank or, at the very least, the adoption of a variable rate for the next setting of the key money-market rate, the "repo" rate, which has been fixed at 3.3 percent since mid-April. Adoption of a variable rate would signal a willingness to see the rate fall back.

This, coupled with the expected snugging up of U.S. interest rates in early July when Federal Reserve Board policymakers next meet, should give "good support to the dollar," Mr. O'Neill said. He said the dollar by year-end could be trading between 1.60 and 1.70 Deutsche marks — it closed Friday at 1.5341 DM — and at 115 yen, compared with 109.115 yen Friday.

He said he was not rampantly bullish about the dollar, however, because of fundamental problems.

Although the U.S. trade deficit is narrowing sharply, the years of accumulated deficits are taking a toll, he said. As the OECD reported, the worsening deficit on net income, now doubling every two years, is expected to eat up half the improvement on merchandise trade — leaving the U.S. current account deeply in deficit.

Assuming the OECD scenario on simultaneous fiscal restraint is correct, Avinash Persaud at J.P. Morgan in London said, it would mean continued support for the dollar.

It is "not that funds would necessarily be rushing into the dollar," he said, "but that institutional investors and traders would continue to borrow low-cost yen and marks and then sell those currencies, thereby supporting the dollar, to buy higher-yielding assets" — as they recently have been doing in the peripheral European markets.

Those bond markets, he added, would continue to benefit from the monetary accommodation in Germany.

"The dollar could be an innocent but beneficial bystander," Mr. Persaud says.

CAREERS

How Harried Executives Can Improve Their Survival Chances

By Justin Keay
Special to the Herald Tribune

LONDON — Executives who feel they are under pressure to work longer hours and to bring better and faster results can relax: Their imaginations are not working overtime. Life at the top *is* getting tougher.

Only a few years ago, conventional wisdom held that the higher an executive rose, the less work there actually was to be done. Besides, the thinking then ran, technology would mean less work and more time to enjoy life.

But many executives today are working harder in environments that are more competitive and less supportive than ever before. At the same time, many certainties have vanished. Gone are the days when, as long as an executive played the right cards, perhaps by keeping a low profile, lifetime employment was assured; gone too is the steady promotion through the company ranks that a team player could expect.

In fact, the career ladder, in the conventional sense, has all but been pulled up and thrown away. From now on, a career will increasingly involve working for a number of companies, sometimes using different skills, often interspersed with periods of inactivity. Work that used to be performed in-house is increasingly turned over to outside contractors, while short-term contracts are the order of the day in companies.

"Managers feel less secure than in the past," said Edward Kelly, president for Europe of Korn/Ferry International, a top executive-search company with offices across Europe and the Americas. "If they don't, they probably ought to."

Mr. Kelly and others suggest that the current corporate culture, which first appeared in the United States and Britain in the 1980s and is spreading worldwide, is the culmination of a number of pressures. Chief among these are globalization, which has increased competition dramatically and left many companies scrambling against organizations they know little about, and the movement away from conglomerates and toward building "core businesses."

"Management is looking around and realizing that in a few years, only, say, five companies will be providing their core business," Mr. Kelly said. "The first question they ask is: 'Do we have the best people to ensure we are going to be among those five?' "

The fact that most companies decide the answer is no is keeping executive head-hunting firms busy, with revenue at the average company rising 20 percent in 1995. Last year was Korn/Ferry's best ever, Mr. Kelly said, with business up some 35 percent.

That growth shows no sign of slowing, as companies give executives all the way down their ranks less and less time to prove their worth.

"They may tell you you have 24 months to get results, but don't believe it," Mr. Kelly warned, adding that companies have concluded, "If you don't, for example, have the best regional sales manager, this will be felt through the business as a whole."

How should executives prepare themselves for this new age of uncertainty, in which management failure, almost by definition, is set to rise?

In a relentless push for efficiency, companies are giving executives all the way down their ranks less and less time to prove their worth. 'Managers feel less secure than in the past. If they don't, they probably ought to.'

The first step is to accept that the world of executive employment has changed and that what worked before — dogged persistence in achieving a goal, a résumé showing corporate loyalty or long-term specialization in a sector — may no longer be so important.

In selecting managers, recruitment firms say, companies are more eclectic, in some cases appointing individuals with relatively little experience in a given field in hope of bringing a fresh approach to problem-solving and goal attainment.

The second step is to accept the changes in the corporate world, even when facing bad odds. Such a relaxed approach is especially important for the unemployed executive seeking work.

"When people are out of a job they can be bitter, almost obsessive," said Richard Fraser, a senior consultant with the search firm Sammons Associates in London.

Executives often fall foul of different corporate cultures when they move, say, from a U.S. investment bank to a Japanese one, he said.

"Our advice is to relax, get focused and have a game plan," he said.

But the most important step, and one most likely to improve an executive's chances of promotion and diminish the possibility of "being downsized," is to improve overall employability.

If an employer has to tell an executive how to improve performance, Mr. Kelly said, the warning is probably already too late. But that does not mean an executive should not be working on skills that can become paramount, such as strong interpersonal abilities, media-friendliness and, more generally, flexibility and adaptability.

"What you look like and how you come across on first meeting is absolutely vital," said Susan Bloch, the co-editor of the book "Employability" and a member of the London executive-coaching firm GHN Ltd. "It can make all the difference in the world."

Executives should view themselves as a company, complete with strengths and weaknesses, she said, and seek to maximize the strengths.

During interviews in particular, she said, executives should be able to present "real, tangible" achievements rather than utter such vagaries as having improved sales or company performance in a particular sphere. According to Ms. Bloch, being commercial and entrepreneurial makes executives stand out from the crowd and appeal to companies that increasingly want to employ and promote only the exceptional.

Executives might argue that such advice is little more than elementary common sense and that they have done everything possible to increase their marketability. But the volume of business being done by headhunters and executive search firms suggests that for result-hungry companies, the search for the best executive never ends.

■ Mitsubishi Fights Abuse Suit

Frank Swoboda of The Washington Post reported from Washington:

Mitsubishi Motor Manufacturing of America Inc. has asked a federal judge to dismiss a class-action lawsuit by the Equal Employment Opportunity Commission alleging pervasive sexual harassment at its auto assembly plant in Normal, Illinois.

The automaker argued in federal court in Peoria, Illinois, that there was no legal basis for the suit.

In its first legal response since the federal agency filed its suit in April, the U.S. subsidiary of the Japanese automaker said the government had no jurisdiction because two private class actions had already been brought against the company and because the women alleging harassment had not used remedies available to them under their union contract or company personnel policies.

A Mitsubishi attorney, Walter B. Connolly Jr., said the company's response to sexual harassment complaints at the plant had been consistent with the law.

"Based on what I've seen so far," he said, "I'm very comfortable with the way the company handles complaints."

John Rowe, director of the agency's Chicago regional office, which filed the suit, said he had not seen the response, but said that from a description of it, "it sounds like they haven't missed a base." Mr. Rowe said there had been no discussions with Mitsubishi Motor about settling the case.

Meanwhile, representatives of the National Organization for Women are planning to fly to Japan to protest the treatment of women at the Illinois plant during Mitsubishi Motors Corp.'s annual meeting Thursday.

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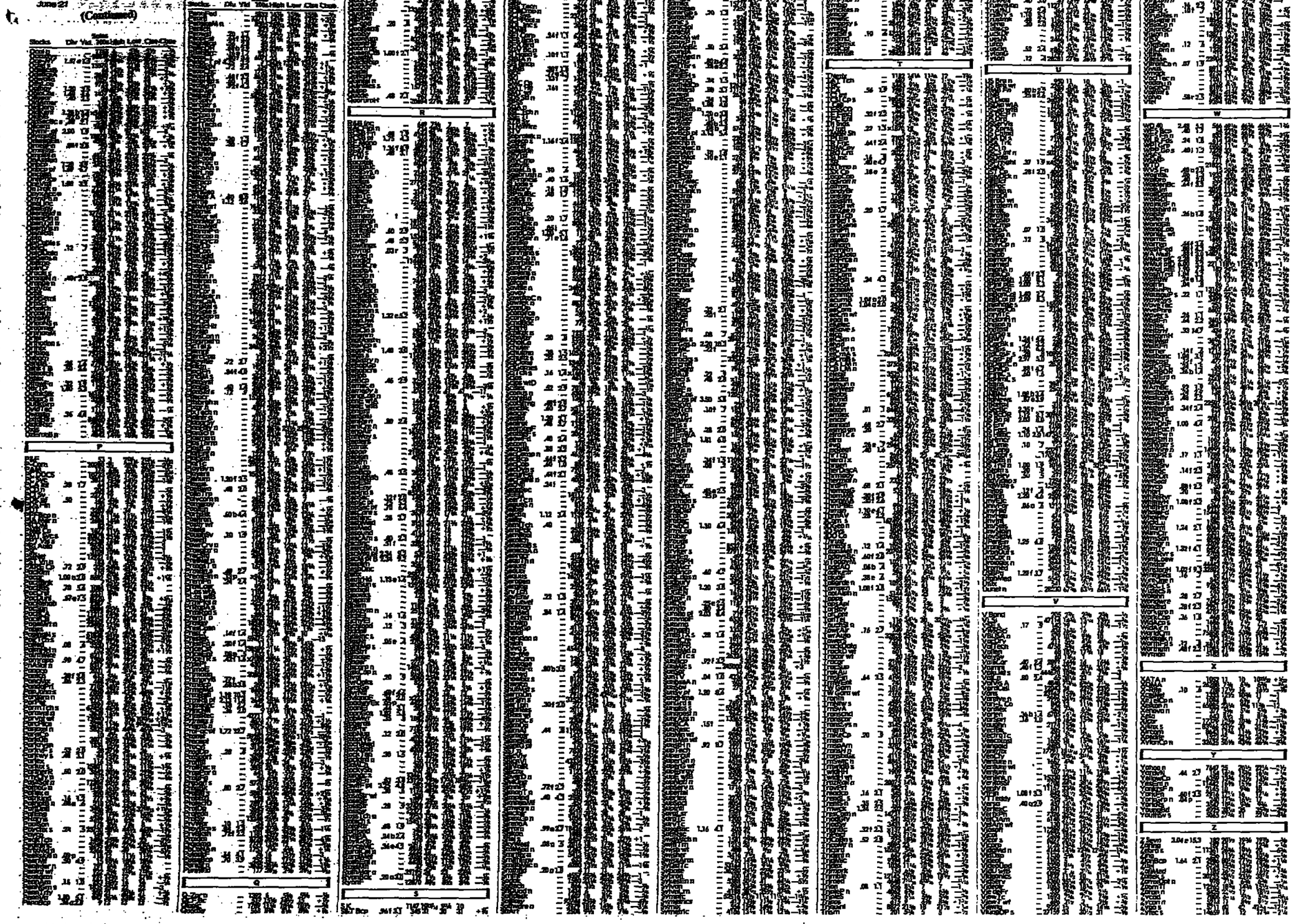
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ABCBc			1497	28¾	27¾	28¼	+1/4
ABS			1177	17¾	16¾	17¼	+1/4
ACCOB			1	9	9	9	
ACTInc			1	11¾	11¾	11¾	
Acxiom			2176	25¾	24¾	25¼	+1/4
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Continued on Page 17

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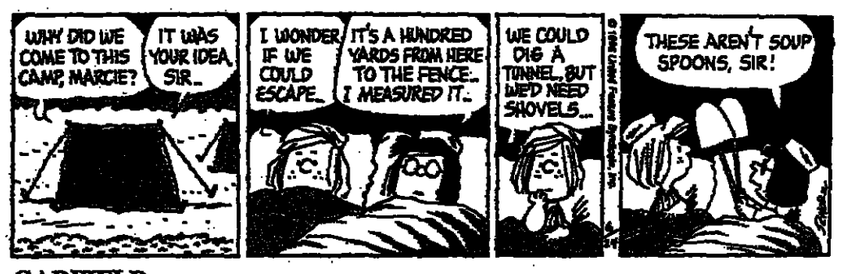
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With Shootout Victories, England and France Advance to Semifinals

Spain Falls At Wembley

By Peter Berlin
International Herald Tribune

LONDON — On a bright sunny summer afternoon, England's national soccer team suddenly woke up to its worst nightmare.

It had just completed a goalless European soccer championship quarterfinal against Spain. Now the rules changed. Where the two teams between them had managed just six shots — and one header — on target in two hours' play, now each would have five penalty shots to settle the result.

Kicking a ball 12 yards into the corner of the goal is something a professional soccer player could do in his sleep. But now he had to shoot with the weight of a nation's expectations on his shoulders and 70,000 fans whispering their doubts in his ear.

Both teams knew this. Spain was 1-1 in shootouts. It lost a World Cup quarterfinal to Belgium in Mexico in 1986 but won a European Championship semifinal against Denmark in France in 1984.

England had been there just once: on a Turin night seared in the memory of its fans. In 1990 it played Germany to a 1-1 tie in the World Cup. None of the Germans missed. But Stuart Pearce, England's left back, did. Six years later, at 34, Pearce was there again.

Pearce brings experience and muscle to a young and sometimes lightweight team. But he has been creaky and wobbly in a defense that creaked and wobbled against Spain as it had against Switzerland and Scotland. Yet, somehow, Pearce and his teammates had held out, and here he was, at his insistence, taking England's third penalty.

Andoni Zubizarreta, in the Spanish goal, had narrowly failed to reach sharp, accurate penalties by Alan Shearer and David Platt, a man who had also scored a penalty in Turin. David Seaman had guessed wrong twice, but England held the edge because Fernando Hierro, Spain's captain, had thundered his kick against the cross bar.

Again Zubizarreta guessed right. Again his fingers clawed the air. As the ball struck the net, Pearce stared for a couple of seconds and then turned and windmilled the air with his fist. The 70,000 fans in the Wembley crowd screamed at him, and he screamed back, jutting his chin out so far that it seemed he might dislocate his jaw. Free at last.

Paul Gascoigne coolly beat Zubizarreta. Then Seaman, finally guessing right, blocked a powerful but ill-directed kick by Miguel Nadal, and England was through, winning the shootout 4-2 and advancing to the semifinals.

England was outplayed for long stretches Saturday. Spain seemed to get the worst of every important refereeing decision. Yet England managed five strikes on target to Spain's two and produced another long spell of fluent attacking play in the second half when Terry Venables, the coach, seeing his team hard-pressed in defense, responded by throwing more men into attack.

In the third minute Shearer swept on to Hierro's poor header, swerved round Nadal and unleashed a vengeful shot that Zubizarreta deflected at full stretch.

The Spaniards were dangerous and incisive on the counter-attack. Twice the linesman's flag saved England. On the second occasion Hierro miscued a shot, freezing England's defense. The ball ran to Julio Salinas. Linesmen are supposed to give attackers the benefit of the doubt on offsides, but it takes courage to defy a seething home crowd. As Salinas's shot flew past Seaman the linesman's flag shot up.

With half the England team waiting in the Spanish penalty area, Gascoigne and Steve MacManaman wasted a free kick. As England players scrambled back, Salinas curled a pass through to the galloping Javier Manjarin alone in the England half with Seaman. Seaman charged. Fifty meters from goal, Manjarin saw Seaman coming and stretched a leg to push the ball past him. But the huge English goalkeeper stretched his own leg out just in time to block the ball.

At half time coach Javier Clemente made two substitutions while Venables relieved MacManaman of the defensive duties he had performed assiduously but incompetently and pushed Gareth Southgate, a center back, further forward.

One of Spain's substitutes, Alfonso Pérez, had been on the field for barely a minute when he tumbled over Gascoigne's outstretched leg in the penalty area. Instead of awarding a penalty — it would have been the third against England in four games — the referee booked Alfonso for diving.

After the game, Clemente said he thought that the referee had had an excellent game apart from two yellow cards, the two disallowed goals and the penalty. Which is like saying the chef cooked an excellent meal even if he poisoned half the guests.

England's best spell was the first half of the second half. MacManaman started tormenting the Spanish. Shearer began to move to the wings, and spaces opened up for Gascoigne, Darren Anderton and Gary Neville.

Attack after attack lapped the Spanish penalty area but England never quite managed the final touch. It came closest in the 71st minute, as Gascoigne's floated cross settled like a feather on Shearer's boot two yards from goal. He could have kissed the ball across the line. Instead he walloped it over the bar.



Adam Butler/Agence France-Presse

English goalkeeper Dave Seaman after a save in the penalty shootout.

Dutch Are Turned Back, 5-4

By Ian Thomsen
International Herald Tribune

LIVERPOOL — For two scoreless hours the French struggled without allowing a goal, with a little wayward help from the referee. On to the penalty shootout they went and, suddenly, the Dutch started whizzing them past the French goalkeeper Bernard Lama.

Lama, for those who like Star Trek, is built like a Klingon. By the fourth round of penalties Saturday he had clearly had enough. Poor Clarence Seedorf ran forward, and Lama lunged at him, stopping the shot with both hands. France advanced to a European Championship semifinal by 5-4 on penalties, while Seedorf — who had been in a ruckus with his coach over the departure of teammate and friend Edgar Davids — was led away sobbing by teammates.

"I'm not sure we deserved to win, but we gave all we could," said Coach Aimé Jacquet, who remains undefeated for a French-record 27 games.

Jacquet has now satisfied his personal goals at this tournament, which he wanted to use as a springboard for the 1998 World Cup, when France will be host. His young team will miss Christophe Dugarry, the AC Milan-bound striker who came on in the second half for 18 minutes before suffering ligament damage to his knee. The midfielder Christian Karembeu, who flickered with life in an otherwise dreadful French first half, will miss the semifinal after earning a second yellow card.

From the beginning of this quarterfinal, the French didn't have it in them to exploit the Dutch, whose 4-1 loss to England on Tuesday had been their worst beating in more than 20 years. Anfield stadium was a vacuum of emotion despite the good-natured, drumbeat singing of the Dutch fans in the small end zone. The crucial play was the decision six minutes from regulation time by the Spanish referee Antonio Lopez Nieto, who awarded a Dutch free kick after Marcel Desailly had clearly handled the ball for what should have been a penalty. The Dutch hit the wrong side of the post — and justice — when Philip Cocu's ensuing free kick deflected off Laurent Blanc.

Given the chance to restore their confidence, the Netherlands controlled the better part of the first half and almost scored when a Ronald De Boer header from Richard Witschge's 22d-minute corner hopped over the bar. Patrick Kluivert was their fulltime target. He had played just 18 minutes in the first three matches while recovering from knee surgery, his late goal against England putting his team into this round. But his best chance rolled on by in the first half as he whiffed, left-footed, and landed on his back.

France decided to seize the initiative after halftime through Zinedine Zidane and Youri Djorkaeff, but the Dutch reclaimed their hold midway through the half when Seedorf and Aron Winter came on for the hobbled Dennis Bergkamp and the ineffective Jordi Cruyff. Lama brought on extra time with a last-minute onrushing save of Seedorf, a trick the goalkeeper would recall shortly.

The Dutch seemed more sincere about wanting to score during the 30 minutes of "sudden death," though Djorkaeff would have ended the game at the second hour if not for Edwin Van Der Sar's first real save of the match.

The French seemed numb, if not uptight, and with Dugarry injured they might still wish they had Eric Cantona on their bench. On the other hand, their penalties were executed calmly by Zidane, Djorkaeff, Bixente Lizarazu, Vincent Guérin and Blanc.

"Giving 100 percent is difficult if you're playing every three days," said Didier Deschamps, France's captain. "We have to recover as best we can."



Dave Kendall/Agence France-Presse

A joyful Bernard Lama.

TENNIS: Contenders Are Hurting on Wimbledon Center Court

Continued from Page 1

just reappear. He eclipses. "Andre's got as much talent as anyone playing this game, it's just a matter of putting it all together — and being into it," Sampras said. "I'm sure when he plays here, he will be. This place brings it out in you."

Sampras has his own worries — if that's possible for a 24-year-old with close to $25 million in winnings and seven Grand Slam titles. Two weeks ago in Paris he was within six sets of becoming the first man since Rod Laver in the 1960s to complete a career Grand Slam. But Sampras was knocked by 22-year-old Yevgeny Kafelnikov, who became the first Russian to win a Grand Slam title. (Kafelnikov is seeded fifth at Wimbledon.)

Sampras went home to Florida to rest and arrived in London on Wednesday without any preparation on grass.

The questions, restricted to these two weeks only, involve Sampras's motivation and stamina.

The shorter rallies on grass shouldn't be nearly as draining as those on the clay at Paris, where Sampras was forced to a fifth set three times. But his draw at Wimbledon could be just as dangerous. Waiting in the second round is the 6-foot-4-inch (1.94-meter) Australian teenager Mark Philippoussis, who in straight sets beat Sampras in the Australian Open. Lined up before the semifinals might be No. 16 Cedric Pioline or Richard Krajicek, followed by No. 10 Stich, the 1991 champion and the strongest darkhorse, based on his showing at Roland Garros in Paris.

"This is a very tough draw," Sampras said.

Once the Britons have been cleared away — give them 72 hours — the crowds should fall in behind the 30-year-old Edberg, the two-time champion making his last appearance.

The issues in the women's event are much more clear-cut: Most everyone will be hoping for a final between Graf, seeking her eighth Wimbledon title, against Seles, making her first appearance since losing the 1992 rain-ruined final to Graf, 6-2, 6-1.

Seles was hounded over her constant grunting four years ago, but the mood will probably be more sympathetic this time. She has won the other Grand Slam events nine times, but never Wimbledon.

Since her return from her April 1993 stabbing in Hamburg, Seles has met Graf just once, losing the U.S. Open final to her last year. Seles, 22, is suffering from tendinitis of the left (serving) shoulder, and a tear in the lining of the socket. She has been receiving two hours of therapy daily.

"Every day I wake up, and it is hurting," she said.

Graf, 27, dropped out of the Eastbourne tournament because of a knee problem. Her numbers are on the verge of taking over her world: She is now going for her 100th singles title overall and her ninth at Wimbledon, one less than Martina Navratilova's record.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION	W	L	Pct.	GB
New York	42	28	.600	—
Baltimore	39	31	.557	3
Toronto	32	41	.438	11½
Boston	29	43	.403	14
Detroit	20	54	.270	24
CENTRAL DIVISION				
Cleveland	46	27	.630	—
Chicago	41	31	.569	4½
Milwaukee	35	37	.486	10½
Minnesota	34	37	.479	11
Kansas City	31	43	.419	15½
WEST DIVISION				
Texas	45	28	.616	—
Seattle	39	32	.549	5
California	39	34	.534	6
Oakland	34	40	.459	11½

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
Atlanta	46	26	.639	—
Montreal	42	31	.575	4½
Florida	34	37	.466	12½
New York	33	40	.452	13½
Philadelphia	31	40	.437	14½
CENTRAL DIVISION				
Houston	38	38	.500	—
St. Louis	38	38	.500	—
Chicago	35	39	.473	2
Pittsburgh	34	39	.466	2½
Cincinnati	29	38	.433	4½
WEST DIVISION				
Los Angeles	40	35	.533	—
San Diego	38	37	.507	2
Colorado	36	35	.507	2
San Francisco	36	35	.507	2

FRIDAY'S LINE SCORES
AMERICAN LEAGUE

New York 000 010 032 2—8 12 1
Cleveland 001 030 110 1—7 14 2
(First Game, 10 innings)
Boehringer, Wickman (5), Mecir (7), Howe (8), J. Nelson (8), Wetteland (10) and Girardi; Nagy, Assenmacher (8), Plunk (8), Mesa (9), Poole (10) and S. Alomar, Pena (5). W—J. Nelson, 2-2. L—Mesa, 0-2. Sv—Wetteland (20). HR—Cleveland, Burnitz (3).
New York 214 000 002—9 17 1
Cleveland 000 200 100—3 7 0
Mendoza, M. Rivera (6), J. Nelson (9) and Leyritz; Tavarez, Swindell (3), Assenmacher (9) and S. Alomar. W—Mendoza, 2-3. L—Tavarez, 2-4. HR—New York, Fox (2).
Minnesota 000 030 000—3 4 0
Detroit 000 002 00x—2 6 0
Aguilera and Walbeck; Lira and Ausmus. W—Lira, 4-7. L—Aguilera, 7-2.
Kansas City 000 100 200—3 8 0
Baltimore 022 030 20x—9 13 1
Haney, Pugh (5), Jacome (7) and Macfarlane; Coppinger, A. Rhodes (4), R. McDowell (7), Orosco (8), Mills (9) and Holles. W—A. Rhodes, 8-0. L—Haney, 4-6. HRs—Baltimore, C. Ripken 2 (14), Surhoff (12), Holles (11).
Seattle 000 330 051—12 11 0
Chicago 001 001 000—2 7 1
Wagner, Ayala (9) and D. Wilson; Magrane, Keyser (6), Sirotka (9) and Karkovice. W—Wagner, 1-1. L—Magrane, 1-5. HRs—Seattle, A.Rodriguez (13), E. Martinez (16), BR.Hunter (2).
Boston 100 002 100—4 12 1
Texas 050 303 21x—14 17 0
Minchey, Eshelman (3), Garces (8) and Haselman; K.Hill, Vosberg (8), Heredia (9) and I. Rodriguez. W—K. Hill, 8-5. L—Minchey, 0-1. HRs—Boston, M. Vaughn (24), Canseco (23). Texas, J. Gonzalez 2 (14), Palmer (18).
California 001 100 030—5 11 0
Milwaukee 032 301 10x—10 11 1
J.Abbott, S. Williams (3), Hancock (7), James (8) and Borders; McDonald, Garcia (8) and Levis. W—McDonald, 7-2. L—J. Abbott, 1-11. HRs—California, Wallach (8). Milwaukee, Mieske (9).
Toronto 000 321 001—7 9 0
Oakland 020 200 010—5 10 1
Quantrill, Castillo (7), Crabtree (8), Timlin (9) and O'Brien; Johns, Reyes (5), Groom (6), Taylor (8), Mohler (9) and Steinbach. W—Quantrill, 4-7. L—Johns, 4-9. Sv—Timlin (13). HRs—Toronto, Sprague (18). Oakland, McGwire (27), Steinbach (12), Plantier (7).

NATIONAL LEAGUE
Cincinnati 121 000 000—4 10 0
New York 004 021 20x—9 14 1
Salkeld, J. Ruffin (5), Remlinger (6), Jarvis (7) and Taubensee; Harnisch, DiPoto (4), Mlicki (7) and Hundley. W—DiPoto, 2-1. L—Salkeld, 3-2. Sv—Mlicki (1). HRs—New York, Gilkey (15), Hundley 2 (20).
Colorado 100 000 101 0—3 9 3
Philadelphia 010 000 020 1—4 7 1
(10 innings)
Reynoso, S. Reed (7), Painter (8), Holmes (8), B. Ruffin (10) and J.Reed. Owens (9); Mi.Williams, K. Ryan (8), Bottalico (9), Borland (10) and Santiago. W—Borland, 4-2. L—B. Ruffin, 2-2. HRs—Colorado, Castilla (12). Phila., Doster (1), Incaviglia (14).
S. Francisco 300 031 000 00—7 14 2
Atlanta 240 100 000 01—8 9 0
(11 innings)
Watson, Creek (2), Dewey (8), Beck (11) and Manwaring, Avery, McMichael (5), Clontz (7), Borbon (8), Wohlers (9), Wade (10) and Perez, J. Lopez (6). W—Wade, 2-0. L—Beck, 0-2. HRs—Atlanta, Grissom (8), McGriff (19), Avery (1).
Pittsburgh 000 000 000—0 5 0
Florida 200 000 20x—4 9 0
Darwin, Lieber (6), Cooke (8) and Kendall; K.Brown and C.Johnson. W—K. Brown, 6-5. L—Darwin, 5-7. HR—Florida, Dv.White (7).
St. Louis 000 020 010 000—3 9 1
Montreal 000 011 100 001—4 12 0
(12 innings)
Al.Benes, Petkovsek (7), Honeycutt (7), T. J.Mathews (8), Fossas (10), Eckersley (10) and Pagnozzi; Cormier, Scott (8), Dacl (8), Manuel (8), Rojas (10) and D. Fletcher, Spehr (9). W—Rojas, 4-3. L—Eckersley, 0-5. HR—Montreal, Floyd (1).
Chicago 000 001 000 0—1 5 1
San Diego 010 000 000 1—2 9 2
(10 innings)
F.Castillo, B. Patterson (8), T. Adams (8), Wendell (10) and Servais; Valenzuela, Bochtler (7), Hoffman (9) and Flaherty. W—Hoffman, 5-2. L—Wendell, 4-2. HRs—Chicago, J. Hernandez (2). San Diego, J. Thompson (2).
Houston 402 130 001—11 14 2
Los Angeles 101 000 001—3 10 1
Drabek, Johnstone (9) and Eusebio. R. Wilkins (1); Candiotti, Eischen (3) and Piazza, Prince (6). W—Drabek, 3-5. L—Candiotti, 5-6.

SATURDAY'S LINE SCORES
AMERICAN LEAGUE
Kansas City 210 000 000—3 8 0
Baltimore 000 000 005—5 6 3
Belcher, Montgomery (9) and Macfarlane; Erickson and Zaun. W—Erickson, 4-5. L—Montgomery, 1-5. HRs—Baltimore, Palmeiro (17), Bonilla (7), Smith (2).
Minnesota 000 000 000—0 4 1
Detroit 003 003 00x—6 12 0
Aldred, Hansell (5), Guardado (7), Stevens (8) and Myers; Br.Williams and Parent. W—Br.Williams, 1-4. L—Aldred, 3-5.
New York 000 000 110—11 15 2
Cleveland 020 303 001—9 12 2
Rogers, Wickman (4), Brewer (5), Hutton (6), Wetteland (9) and Girardi; De.Martinez, Plunk (6), Embree (6), Shuey (7), Poole (9) and Pena. W—Brewer, 1-0. L—De.Martinez, 0-5. Sv—Wetteland (21). HRs—New York, Sierra 2 (9). Cleveland, Murray (9).
Toronto 000 230 000—4 7 2
Oakland 030 140 00x—8 12 0
Janzen, Ware (5), Risley (5), Spoljaric (8) and S. Martinez; Chouinard, Van Poppel (6), Mohler (8) and Ge.Williams. W—Chouinard, 1-2. L—Ware, 0-4. HRs—Toronto, Sprague (19). Oakland, Giambi (11).
Seattle 001 110 100—4 11 0
Chicago 000 110 000—2 6 2
B.Wells, Guetterman (6), Ayala (6), M. Jackson (8), Charlton (9) and D. Wilson; A.Fernandez, Levine (6), L. Thomas (7), Simas (7), R.Hernandez (9) and Karkovice. Kreuter (9). W—B. Wells, 8-1. L—A. Fernandez, 6-4. Sv—Charlton (12). HR—Chicago, Baines (12).
California 003 200 100—6 7 0
Milwaukee 000 200 002—4 11 1
Boskie, Percival (9) and Slaught; Miranda, Lloyd (7) and Levis. W—Boskie, 8-2. L—Miranda, 3-5. Sv—Percival (20). HRs—Milwaukee, Jaha (13), Js.Valentin (10), Cirillo (6).
Boston 020 000 000—2 6 1
Texas 001 034 00x—8 10 0
Wakefield, Gunderson (6), Hudson (8) and Stanley; Pavlik and I.Rodriguez. W—Pavlik, 10-1. L—Wakefield, 4-8. HRs—Boston, Stanley (10). Texas, Greer (6).

NATIONAL LEAGUE
Colorado 100 030 000—4 7 1
Philadelphia 001 003 10x—5 11 0
Ritz, Hawblitzel (7), Bailey (8) and Owens; Mulholland, Blazier (7), K. Ryan (8), Bottalico (9) and Santiago. W—Blazier, 1-0. L—Hawblitzel, 0-1. Sv—Bottalico (16). HRs—Colorado, Burks (17), Bichette (13). Philadelphia, Phillips (5).
Cincinnati 000 000 110—2 4 0
New York 000 203 00x—5 11 0
Schourek, Shaw (6), J. Ruffin (7), Le.Smith (8) and Taubensee; M.Clark, Franco (9) and Hundley. W—M. Clark, 7-6. L—Schourek, 4-5. Sv—Franco (16).
San Francisco 000 000 000—0 4 0
Atlanta 200 200 02x—6 8 1
Gardner, Juden (8), Creek (8), DeLucia (8) and Manwaring; G.Maddux, McMichael (9) and Perez. W—G. Maddux, 7-5. L—Gardner, 7-2. HR—Atlanta, Cp.Jones (13).
Pittsburgh 000 000 000 4—4 7 2
Florida 000 000 000 1—1 5 0
(10 innings)
Neagle, Plesac (8), Cordova (10) and Kendall; A.Leiter, Nen (9), Y. Perez (10), Te.Mathews (10) and C. Johnson. W—Plesac, 3-1. L—Y. Perez, 2-2. HR—Pitt., King (17).
St. Louis 201 150 000—9 9 0
Montreal 000 001 003—4 9 2
Morgan, Parrett (9) and Sheaffer; Urbina, Dacl (5), Scott (9) and D. Fletcher, Spehr (8). W—Morgan, 2-1. L—Urbina, 4-1. HRs—St. Louis, Lankford (14), Mabry (5). Montreal, Spehr (1).
Houston 000 000 000—0 7 0
Los Angeles 101 001 00x—3 9 0
Reynolds, Hartgraves (7), X. Hernandez (8) and R. Wilkins; R.Martinez and Piazza. W—R. Martinez, 6-1. L—Reynolds, 8-5. HR—Los Angeles, Piazza (17).
Chi. 121 000 000 001 001 3—9 21 2
S.D. 112 000 000 001 001 0—6 11 3
(16 innings)
Campbell, Bottenfield (6), Bullinger (8), T. Adams (10), Wendell (12), B. Patterson (13), Myers (14) and Servais; Ashby, Florie (6), S.Sanders (8), Villone (8), Bochtler (10), Bergman (12), Blair (15) and B. Johnson, Flaherty (10). W—Myers, 1-1. L—Blair, 0-5. HRs—Chicago, B. Brown (4), Sosa (25). San Diego, B. Johnson (5), Flaherty (1).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct	GB
Hiroshima	37	24	0	.607	—
Chunichi	32	26	0	.552	3½
Yakult	31	29	0	.517	5½
Yokohama	30	32	0	.484	7½
Yomiuri	29	32	0	.475	8
Hanshin	23	39	0	.371	14

SATURDAY'S RESULTS
Yakult 1, Chunichi 0
Yokohama 8, Yomiuri 7
Hanshin 5, Hiroshima 4
SUNDAY'S RESULTS
Hiroshima 2, Hanshin 0
Chunichi 9, Yakult 7
Yokohama 7, Yomiuri 6

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	38	26	2	.591	—
Orix	34	27	1	.556	2½
Kintetsu	32	29	0	.525	4½
Lotte	29	33	2	.469	8½
Seibu	28	34	2	.452	9
Daiei	25	37	1	.403	12

SATURDAY'S RESULTS
Nippon Ham 4, Seibu 0
Orix 6, Daiei 2
SUNDAY'S RESULTS
Nippon Ham 9, Seibu 7
Daiei 11, Orix 5
Kintetsu 8, Lotte 5

PRE-OLYMPIC EXHIBITION
IN RICHMOND, VA.
United States 8, Japan 6

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
http://www.iht.com/IHT/SPORTS/bbl.html

HOCKEY

1996 NHL Draft

First round selections from the 1996 NHL draft: 1, Ottawa, Chris Phillips, D, Prince Albert, WHL; 2, San Jose, Andrei Zyuzin, D, Salavat Yulaev, MHL; 3, NY Islanders, Jean-Pierre Dumont, RW, Val Dor, QMJHL; 4, Washington, Alexander Volchkov, C, Barrie, OHL; 5, Stars, Richard Jackman, D, Sault St. Marie, OHL.

6, Edmonton, Boyd Devereaux, C, Kitchener, OHL; 7, Buffalo, Erik Rasmussen, C, University of Minnesota, WCHA; 8, Boston, Jonathan Aitken, D, Medicine Hat, WHL; 9, Anaheim, Ruslan Salei, D, Las Vegas, IHL; 10, Devils, Lance Ward, D, Red Deer, WHL.

11, Phoenix, Dan Focht, D, Tri-City, WHL; 12, Canucks, Josh Holden, C, Regina, WHL; 13, Calgary, Derek Morris, D, Regina, WHL; 14, St. Louis, Marty Reasoner, C, Boston College, H-East; 15, Philadelphia, Dainius Zubrus, LW, Pembroke, CJHL.

16, Tampa Bay, Mario Larocque, D, Hull, QMJHL; 17, Washington, Jaroslav Svejkovsky, RW, Tri-City, WHL; 18, Montreal, Matt Higgins, C, Moose Jaw, WHL; 19, Edmonton, Mathieu Descoteaux, D, Shawinigan, QMJHL; 20, Florida, Marcus Nilson, W, Djurgarden, Sweden.

21, San Jose (from Chicago) Marco Sturm, C, Landshut, German League; 22, NY Rangers, Jeff Brown, D, Sarnia, OHL; 23, Pittsburgh, Craig Hillier, G, Ottawa, OHL; 24, Phoenix, Daniel Briere, C, Drummondville, QMJHL; 25, Colorado, Peter Ratchuk, D, Shattuck-St. Marys H.S., Faribault, Minn.; 26, Detroit, Jesse Wallin, D, Red Deer.

SOCCER

European Championship

QUARTERFINALS
England 0, Spain 0
(England won 4-2 on penalties).
France 0, Netherlands 0
(France won 5-4 on penalties).
Germany 2, Croatia 1
Scorers: Germany — Juergen Klinsmann (21st minute, penalty), Matthias Sammer (59th); Croatia — Davor Suker (51st).
Czech Republic 1, Portugal 0
Scorer: Karel Poborsky.

MAJOR LEAGUE SOCCER
SATURDAY'S RESULT
Columbus 4, Tampa Bay 3
(Columbus won 3-2 on shoot-out).
PRE-OLYMPIC EXHIBITION
South Africa 2, United States 2, tie
WORLD CUP QUALIFYING
AFRICAN ZONE
FIRST ROUND, SECOND LEG
Liberia 4, Gambia 0
(Liberia wins 5-2 on aggregate).
AFRICAN CHAMPIONS' CUP
SECOND ROUND, SECOND LEG
Orlando Pirates 1, Mafolisa Wanderers 0
(Orlando Pirates win 2-1 on aggregate).
AFRICAN CUP WINNERS CUP
SECOND ROUND, SECOND LEG
Katsina United 3, Mbilinga Sports 0
(Aggregate 3-3. Katsina won 3-2 on penalties).

TENNIS

Wimbledon Draw

The draw for Wimbledon, which runs June 24-July 7 (Q-qualifier; LL-lucky loser):

MEN

Pete Sampras (1), U.S., vs. Richey Reneberg, U.S.; Mark Philippoussis, Australia, vs. Javier Frana, Argentina; Kris Goossens, Belgium, vs. Byron Black, Zimbabwe; Karim Alami, Morocco, vs. Karol Kucera, Slovakia; Jan Kroslak, Slovakia, vs. Andrew Foster, Britain; Chris Wilkinson, Britain, vs. LL-Anders Jarryd, Sweden; Magnus Norman, Sweden, vs. Mark Petchey, Britain; Jan Siemerink, Netherlands, vs. Cedric Pioline (16), France.

Michael Stich (10), Germany, vs. Sjeng Schalken, Netherlands; Christian Ruud, Norway, vs. Shuzo Matsuoka, Japan; Sandon Stolle, Australia, vs. Q-Diego Nargiso, Italy; Mark Woodforde, Australia, vs. Magnus Larsson, Sweden; Q-Daniel Nestor, Canada, vs. Greg Rusedski, Britain; Q-Tom Kempers, Netherlands, vs. Brett Steven, New Zealand; Derrick Rostagno, U.S., vs. Johan van Herck, Belgium; Javier Sanchez, Spain, vs. Richard Krajicek, Netherlands.

Goran Ivanisevic (4), Croatia, vs. Bernd Karbacher, Germany; Q-Pierre Boutteyre, France, vs. Carlos Moya, Spain; Q-Lorenzo Manta, Switzerland, vs. Alexander Volkov, Russia; Oleg Ogorodov, Uzbekistan, vs. Martin Damm, Czech Republic; Gianluca Pozzi, Italy, vs. Joao Cunha-Silva, Portugal; Patrick Rafter, Australia, vs. Daniel Vacek, Czech Republic; Andrei Olhovskiy, Russia, vs. Hendrik Dreekmann, Germany.

Scott Draper, Australia, vs. Marc Rosset (14), Switzerland; Stefan Edberg (12), Sweden, vs. Guy Forget, France; Mikael Tillstrom, Sweden, vs. Marc Goellner, Germany; Michael Tebbutt, Australia, vs. Alex Corretja, Spain; Andrei Chesnokov, Russia, vs. Jakob Hlasek, Switzerland; Q-Joern Renzenbrink, Germany, vs. Jiri Novak, Czech Rep.; Jason Stoltenberg, Australia, vs. Adrian Voinea, Romania; Q-Mose Navarra, Italy, vs. David Rikl, Czech Republic.

Alberto Costa, Spain, vs. Michael Chang (6), U.S.; Yevgeny Kafelnikov (5), Russia, vs. Tim Henman, Britain; Q-Peter Tramacchi, Australia, vs. Danny Sapsford, Britain; Jonas Bjorkman, Sweden, vs. Luke Milligan, Britain; Kenneth Carlsen, Denmark, vs. Nicolas Lapentti, Ecuador; Todd Woodbridge, Australia, vs. Q-Stephane Huet, France; Magnus Gustafsson, Sweden, vs. Q-Andrew Ilie, Australia; Michael Joyce, U.S., vs. Andrea Gaudenzi, Italy; David Prinosil, Germany, vs. Wayne Ferreira (11), S. Africa.

Todd Martin (13), U.S., vs. Marcos Ondruska, S. Africa; Emilio Sanchez, Spain, vs. Q-Jim Grabb, U.S.; Renzo Furlan, Italy, vs. Andrei Medvedev, Ukraine; Colin Beecher, Britain, vs. Nick Gould, Britain; Hicham Arazi, Morocco, vs. Nicklas Kulti, Sweden; Thomas Johansson, Sweden, vs. Jacco Eltingh, Netherlands; Q-Jared Palmer, U.S., vs. Q-Thierry Champion, France.

Q-Doug Flach, U.S., vs. Andre Agassi (3), U.S.; Jim Courier (8), U.S., vs. Jonathan Stark, U.S.; Mark Knowles, Bahamas, vs. Jerome Golmard, France; Felix Mantilla, Spain, vs. Paul Haarhuis, Netherlands; Jeremy Bates, Britain, vs. Nicolas Pereira, Venezuela; Bohdan Ulihrach, Czech Republic, vs. Carlos Costa, Spain; Filip Dewulf, Belgium, vs. Vincent Spadea, U.S.; Richard Fromberg, Australia, vs. MaliVai Washington, U.S.

Q-Alex O'Brien, U.S., vs. Thomas Enqvist (9), Sweden; Arnaud Boetsch (15), France, vs. Alexander Radulescu, Germany; Stefano Pescosolido, Italy, vs. Chris Woodruff, U.S.; David Wheaton, U.S., vs. Frederik Fetterlein, Denmark; Guillaume Raoux, France, vs. Younes El Aynaoui, Morocco; Grant Stafford, South Africa, vs. Sandor Noszaly, Hungary; Q-Neville Godwin, South Africa, vs. Cristiano Caratti, Italy; Francisco Clavet, Spain, vs. Tomas Carbonell, Spain; Jean-Philippe Fleurian, France, vs. Boris Becker (2), Germany.

WOMEN

Steffi Graf (1), Germany, vs. Ludmila Richterova, Czech Republic; Nathalie Baudone, Italy, vs. Janette Husarova, Slovakia; Henrieta Nagyova, Slovakia, vs. Nicole Arendt, U.S.; Claudia Porwik, Germany, vs. Clare Wood, Britain; Alexandra Fusai, France, vs. Sandra Dopfer, Austria; Rennae Stubbs, Australia, vs. Linda Wild, U.S.; Rachel Viollet, Britain, vs. Megan Miller, Britain.

Jana Novotna, Canada, vs. Martina Hingis (16), Switzerland; Magdalena Maleeva (10), Bulgaria, vs. Barbara Rittner, Germany; Petra Kamstra, Netherlands, vs. Nathalie Tauziat, France; Natasha Zvereva, Belarus, vs. Francesca Lubiani, Italy; Marloon de Swardt, South Africa, vs. Patricia Hy-Boulais, Canada; Asa Carlsson, Sweden, vs. Karin Kschwendt, Germany; Ruxandra Dragomir, Romania, vs. Yayuk Basuki, Indonesia; Laurence Courtois, Belgium, vs. Anke Huber (5), Germany.

Veronika Martinek, Germany, vs. Jana Novotna (6), Czech Republic; Conchita Martinez (3), Spain, vs. Silvia Farina, Italy; Lisa Raymond, U.S., vs. Maria Angeles Montolio, Spain; Lori McNeil, Houston, vs. Q-Laura Golarsa, Italy; Kimberly Po, U.S., vs. Q-Amelie Cocheteux, France; Virginia Ruano-Pascual, Spain, vs. Kristie Boogert, Netherlands; Nicole Bradtke, Australia, vs. Q-Kerry-Anne Guse, Australia; Anne-Gaelle Sidot, France, vs. Q-Catalina Cristea, Romania; Kyoko Nagatsuka, Japan, vs. Kimiko Date (12), Japan.

Mary Pierce (13), France, vs. Patty Schnyder, Switzerland; Joanne Ward, Britain, vs. Claire Taylor, Britain; Rika Hiraki, Japan, vs. Christina Singer, Germany; Corina Morariu, U.S., vs. Natalia Medvedeva, Ukraine; Elena Likhovtseva, Russia, vs. Els Callens, Belgium; Angelica Gavaldon, Mexico, vs. Katrina Adams, U.S.; Larisa Neiland, Latvia, vs. Kathy Rinaldi Stunkel, U.S.; Melanie Schnell, Austria, vs. Lindsay Davenport (8), U.S.

Chanda Rubin (7), U.S., vs. Judith Wiesner, Austria; Marianne Werdel Witmeyer, U.S., vs. Q-Mercedes Paz, Argentina; Katarzyna Nowak, Poland, vs. Gloria Pizzichini, Italy; Tatyana Jecmenica, Yugoslavia, vs. Gigi Fernandez, U.S.; Radka Zrubakova, Slovakia, vs. Sung-Hee Park, S. Korea; Amy Frazier, U.S., vs. Dally Randriantefy, Madagascar; Ines Gorrochategui, Argentina, vs. Anna Smashnova, Israel; Samantha Smith, Britain, vs. Irina Spirlea (15), Romania.

Brenda Schultz-McCarthy (11), Netherlands, vs. Jeanette Kruger, South Africa; Radka Bobkova, Czech Republic, vs. Jolene Watanabe, U.S.; Karina Habsudova, Slovakia, vs. Magdalena Grzybowska, Poland; Nana Miyagi, Japan, vs. Sabine Appelmans, Belgium; LL-Flora Perfetti, Italy, vs. Maria Antonia Sanchez Lorenzo, Spain; Naoko Sawamatsu, Japan, vs. Naoko Kijimuta, Japan; Miriam Oremans, Netherlands, vs. Rita Grande, Italy.

Adriana Serra-Zanetti, Italy, vs. Arantxa Sanchez Vicario (4), Spain; Anke Huber (5), Germany, vs. Gala Leon Garcia, Spain; Pam Shriver, U.S., vs. Q-Annabel Ellwood, Australia; Kristin Godridge, Australia, vs. Helena Sukova, Czech Republic; Q-Anne Kremer, Luxembourg, vs. Ai Sugiyama, Japan; Petra Begerow, Germany, vs. Barbara Schett, Austria; Florencia Labat, Argentina, vs. Tami Whitlinger-Jones, U.S.; Sandra Cacic, U.S., vs. Sandrine Testud, France; Jana Kandarr, Germany, vs. Mary Joe Fernandez (9), U.S.

Amanda Coetzer (14), S. Africa, vs. Elena Wagner, Germany; Mana Endo, Japan, vs. Meredith McGrath, U.S.; Alexia Dechaume-Balleret, France, vs. Nancy Feber, Belgium; Anne Miller, U.S., vs. Paola Suarez, Argentina; Yone Kamio, Japan, vs. Nathalie Dechy, France; Dominique van Roost, Belgium, vs. Q-Maureen Drake, Canada; Elena Makarova, Russia, vs. Katarina Studenikova, Slovakia; Ann Grossman, U.S., vs. Monica Seles (2), U.S.

WILKINSON LADY TOURNAMENT
IN ROSMALEN, NETHERLANDS
FINAL
Anke Huber (2), Germany, def. Helena Sukova (8), Czech Republic, 6-4, 7-6 (7-2).
EASTBOURNE TOURNAMENT
IN EASTBOURNE, ENGLAND
SEMIFINALS
Monica Seles (1), U.S., def. Nathalie Tauziat, France, 6-4, 6-4; Mary Joe Fernandez (7), U.S., def. Jana Novotna (3), Czech Republic, 6-1, 2-6, 8-6.
FINAL
Seles def. Fernandez 6-0, 6-2.
WEBER OPEN
IN HALLE, GERMANY
SEMIFINALS
Yevgeny Kafelnikov (2), Russia, def. Daniel Vacek, Czech Republic, 6-3, 7-6, 6-3; Nicklas Kulti, Sweden, def. Richey Reneberg, Minneapolis, 7-6 (7-3), 7-6 (12-10).
FINAL
Kulti def. Kafelnikov 6-7 (5-7), 6-3, 6-4.
CARREFOUR TOURNAMENT
IN BOLOGNA, ITALY
SEMIFINALS
Carlos Costa (1), Spain, def. Jimy Szymanski, Venezuela, 7-5, 2-6, 6-2; Bohdan Ulihrach (4), Czech Republic, def. Javier Sanchez, Spain, 6-4, 6-4.
FINAL
Costa def. Ulihrach 7-6 (8-6), 6-1.
NOTTINGHAM OPEN
IN NOTTINGHAM, ENGLAND
FINAL
Jan Siemerink (5), Netherlands, def. Sandon Stolle, Australia, 6-3, 7-6 (7-0).

GOLF

BMW Open

Leading final scores Sunday of the rain-shortened $1.1 BMW International Open on the 7,036-yards, par-72 St. Eurach Land and Golf Club course in Munich:

Marc Farry, France	65-67—132
R. Green, Australia	67-66—133
R. Claydon, England	69-65—134
P. Harrington, Ireland	68-66—134
David Higgins, Ireland	64-70—134
Francisco Cea, Spain	70-65—135
R. Russell, Scotland	69-66—135
Ignacio Garrido, Spain	67-68—135
Phil Golding, England	65-71—136
Gary Clark, England	72-64—136

RUGBY

EUROPEAN SUPER LEAGUE
Wigan 35, St Helens 19
Leeds 25, Castleford 18
Bradford 64, Sheffield 22
Halifax 14, Oldham 20
Workington 6, London 34
RUGBY UNION TOURS
New Zealand 36, Scotland 12
Canada 19, South Australia 13
Australia 42, Wales 3
RUGBY UNION FRIENDLY
France 34, Argentina 27

CRICKET

SECOND TEST
INDIA VS. ENGLAND, FOURTH DAY
SUNDAY, IN LONDON
England 1st innings: 344
India 1st innings: 429
England 2d innings: 113-2

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

AL—Reduced suspension of Cleveland OF Albert Belle from three games to two, and suspension of Milwaukee Brewers C Mike Matheny from five games to three.

BALTIMORE—Signed RHP Chad Paronto and RHP Josh Towers.

BOSTON—Acquired RHP Nate Minchey from Pawtucket, IL. Designated RHP John Doherty for assignment.

CALIFORNIA—Activated LHP Brad Pennington from 15-day disabled list. Optioned C Jorge Fabregas to Vancouver, PCL.

CHICAGO—Optioned LHP Joe Magrane to Nashville, AA. Recalled RHP Al Levine from Nashville. Promoted RHP Jason Olsen from South Bend, MiL, to Prince William, CL, and RHP Mike Place from Prince William to Birmingham, SL.

CLEVELAND—Recalled LHP Alan Embree from Buffalo, AA. Optioned INF Herbert Perry to Buffalo.

DETROIT—Put C Raul Casanova on 15-day disabled list, retroactive to June 19. Activated OF Melvin Nieves from 15-day disabled list. Fired Bill Plummer, manager of Jacksonville, SL. Named Larry Parrish manager.

KANSAS CITY—Recalled OF Michael Tucker from rehabilitation assignment and OF Roderick Myers from Omaha, AA. Optioned RHP Brian Bevil to Omaha. Put 1B-DH Bob Hamelin on 15-day disabled list. Traded RHP Rusty Meacham to Seattle for INF Jose Amado.

MILWAUKEE—Sent LHP Terry Burrows to New Orleans, AA. Recalled C Kelly Stinnett from New Orleans.

MINNESOTA—Signed RHP Mario Opipari. Activated RHP Dave Stevens from 15-day disabled list. Recalled OF Matt Lawton from Salt Lake City, PCL. Optioned RHP Pat Mahomes and INF Brian Raabe to Salt Lake City.

NEW YORK—Acquired LHP Billy Brewer from Los Angeles for RHP Mike Judd. Released LHP Steve Howe. Added LHP Billy Brewer to the roster. Recalled LHP Dale Polley from Columbus, IL. Optioned RHP Jim Mecir to Columbus.

SEATTLE—Sent INF Jose Amado to Kansas City for RHP Rusty Meacham.

TEXAS—Signed LHP Doug Davis.

NATIONAL LEAGUE

CHICAGO—Waived RHP Jose Guzman for the purpose of giving him his unconditional release.

CINCINNATI—Rescinded announcement that LHP Mike Remlinger had been designated for assignment. Activated LHP Pete Schourek from 15-day disabled list. Optioned OF Chad Mottola to Indianapolis, AA.

FLORIDA—Activated 2B Quilvio Veras from 15-day disabled list. Sent OF Russ Morman outright to Charlotte, IL. Bought contract of RHP Dave Pall from Charlotte, IL. Put RHP Matt Mantei on 15-day disabled list retroactive to June 18.

HOUSTON—Put OF Derrick May on 15-day disabled list. Recalled OF James Mouton from Tucson, PCL. Put C Tony Eusebio on 15-day disabled list. Recalled IF Dave Hajek from Tucson.

LOS ANGELES—Activated SS Greg Gagne from 15-day disabled list. Designated OF Milt Thompson for assignment.

NEW YORK—Recalled OF Alex Ochoa from Norfolk, IL. Put 1B Rico Brogna on 15-day disabled list, retroactive to June 20.

PITTSBURGH—Bought contract of RHP Elmer Dessens from Calgary, PCL. Optioned LHP Matt Ruebel to Calgary. Designated LHP Lee Hancock for assignment.

The Week Ahead

Monday, June 24

TENNIS, Wimbledon, England — Wimbledon tennis championships, through July 7.

CRICKET, London — England vs. India, second test, final day.

Tuesday, June 25

ATHLETICS, Helsinki, Finland — IAAF Grand Prix, World Games.

RUGBY UNION, Various sites — Australian Universities vs. Canada, San Juan vs. France.

Wednesday, June 26

SOCCER, Various sites — European championship semifinals.

RUGBY UNION, Cardiff — Wales vs. England.

BASKETBALL, New York — NBA Draft.

Thursday, June 27

GOLF, Paris, France — Peugeot Open de France, through June 30; Cromwell, Connecticut — Canon Greater Hartford Open, through June 30.

Friday, June 28

ATHLETICS, Paris, France — athletics, IAAF Grand Prix.

Saturday, June 29

CYCLING, Various sites — cycling, Tour de France, through July 21.

SOCCER, UEFA congress. On merits.

RUGBY UNION, Brisbane, Australia — Australia vs. Canada, test.

Sunday, June 30

SOCCER, Wembley, England — European Championship final.

AUTO RACING, Magny Cours, France — Formula One, French Grand Prix.

HORSE RACING, Curragh, Ireland — Irish Derby.

SPORTS

Yankees Sweep Indians at Home

The Associated Press

The New York Yankees completed their first four-game sweep in Cleveland since 1964, and Dwight Gooden won his fourth straight start Sunday in a 6-5 victory over the Indians.

Bernie Williams, Paul O'Neill and Tino Martinez hit solo home runs for the Yankees, who improved to 9-3 against the defending American League champions this season.

Baseball Roundup

The Yankees are 12-2 at Jacobs Field overall, and 6-0 this year. They are the only opponent with a record over .500 at the ballpark.

Tigers 10, Twins 8 In Detroit, the Tigers won their third straight game for the first time this season.

The Tigers, with the worst staff ERA in the majors, extended their scoreless streak to 24 innings before Dave Hollins's homer highlighted a five-run sixth that put the Twins ahead 5-4.

But Detroit came back in the seventh, with Travis Fryman's two-run double keying a six-run seventh against five pitchers.

Royals 4, Orioles 0 In Baltimore, Kevin Appier pitched eight innings of two-hit ball and Sal Fasano homered for the Royals.

Tom Goodwin had two hits, stole two bases and scored twice to help the Royals win for only the fourth time in 14 games.

In the National League:

Rockies 7, Phillies 4 In Philadelphia, Ellis Burks hit two homers, giving him six in the last five games as the Colorado Rockies avoided a series sweep.

Expos 3, Cardinals 2 In Montreal, Jeff Fassero gave up three hits in 8⅔ innings and Moises Alou homered to snap a sixth-inning tie. Sunday.

Braves 1, Giants 0

Tom Glavine (8-4) allowed three hits over 7⅔ innings in Atlanta and Chipper Jones homered for the game's only run. Glavine struck out six.

In Saturday's games:

Cubs 9, Padres 8 Brian McRae's grounder to first base with one out and a man on second in the top of the 16th inning bounced past rookie first baseman Jason Thomp-son, allowing Jose Hernandez to score from second for the Cubs' victory in San Diego. The game, the longest National League game this season, lasted 5 hours and 14 minutes.

Phillies 5, Rockies 4 In Philadelphia, Mike Benjamin drew a bases-loaded walk from Colorado reliever Ryan Hawblitzel with two outs in the seventh inning, giving the Phillies the victory.

Braves 6, Giants 0 In Atlanta, Greg Maddux pitched two-hit ball for eight innings and Atlanta matched a season-high with its fifth straight victory.

Pirates 4, Marlins 1 Pinch-hitter Dave Clark broke a scoreless tie in the 10th inning in Miami with a two-out RBI single, and Jeff King followed with a three-run homer as Florida lost its third extra-inning game in less than a week.

Mets 5, Reds 2 In New York, Mark Clark pitched eight strong innings to win his third straight decision, and Alex Ochoa drove in two runs in his season debut.

Cardinals 9, Expos 4 Willie McGee drove in four runs and Mike Morgan pitched eight strong innings in Montreal to give St. Louis its seventh victory in 10 games.

Dodgers 3, Astros 0 Ramon Martinez pitched his first shutout of the season, scattering seven hits, and Mike Piazza hit his 17th home run in the first inning in Los Angeles.

Tigers 6, Twins 0 Brian Williams pitched Detroit's second straight shutout as the Tigers roughed up former teammate Scott Aldred in Detroit.

Orioles 5, Royals 3 In Baltimore, Mark Smith hit the Orioles' third home run in the bottom of the ninth inning, capping a rally that gave the Orioles a victory over Kansas City.

Yankees 11, Indians 9 In Cleveland, Ruben Sierra hit homers from both sides of the plate, including a three-run shot during a nine-run sixth inning as the New York Yankees beat the Indians.

Mariners 4, White Sox 2 Bob Wells won his fourth straight start and visiting Seattle got its third victory in a row since star slugger Ken Griffey Jr. was injured. The White Sox lost their eighth consecutive game.

Athletics 8, Blue Jays 4 Jason Giambi homered and Bobby Chouinard earned his first big league victory as the Athletics ended visiting Toronto's five-game winning streak.

Rangers 8, Red Sox 2 Ivan Rodriguez drove in four runs with a triple and a double, and Roger Pavlik won his 10th game as Texas handed visiting Boston its fifth straight defeat.

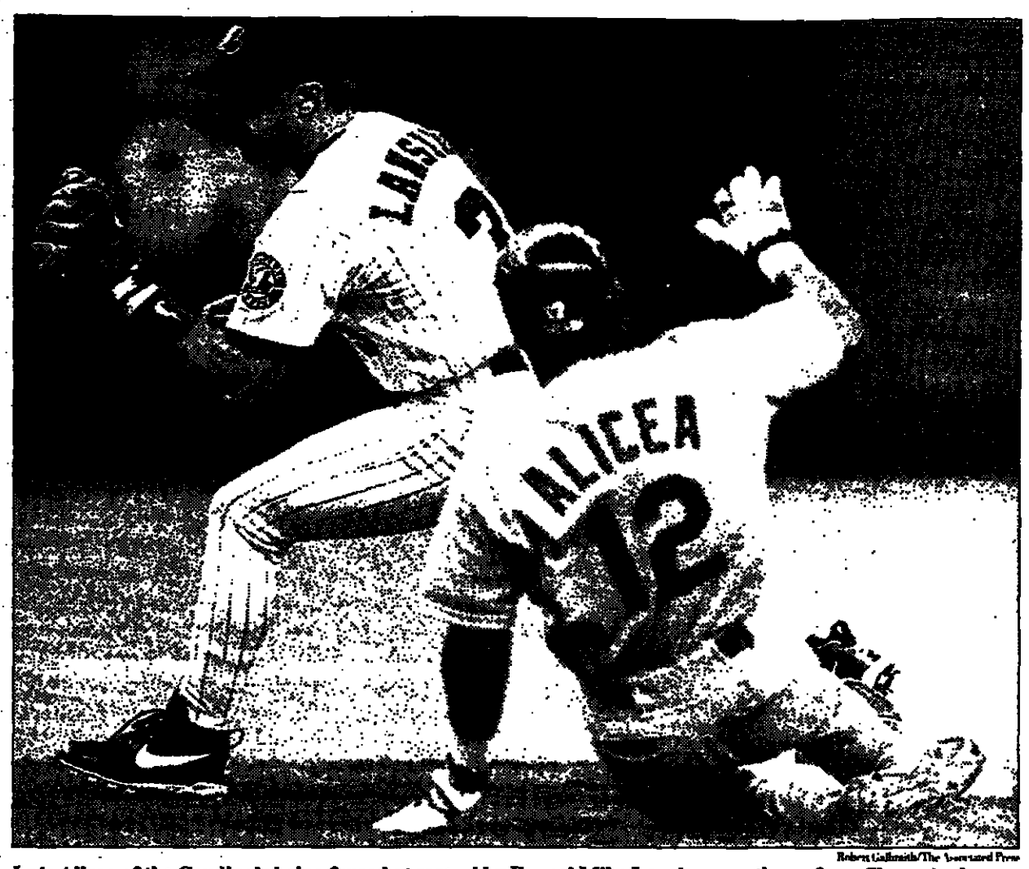
Angels 6, Brewers 4 Rookie Darin Erstad drove in three runs and Shawn Boskie pitched eight solid innings in Milwaukee as California won for the 12th time in 14 games.

■ Yanks Release Howe

Pitcher Steve Howe, whose enormous potential went unrealized during a career pock-marked by seven drug-related suspensions, was released Saturday by the New York Yankees, The Associated Press reported from Cleveland.

The 38-year-old left-handed reliever was cut before the Yankees' game against the Indians.

His record this year in 17 games — mostly as a setup man for John Wetteland — was 0-1 with one save and a 6.35 ERA.



Robert Galbraith/The Associated Press

Luis Alicea of the Cardinals being forced at second by Expos' Mike Lansing on a throw from Shane Andrews.

Scots Take Title In World Football

By Don Greenberg
Special to the Herald Tribune

EDINBURGH, Scotland — A Scottish team won a world football championship Sunday night. Unfortunately for the country famous for kilts, whisky and haggis, but precious few international sporting achievements, the football title had nothing to do with the national pastime of soccer.

Yet that distinction didn't prevent the 38,892 fans at unusually warm and sunny Murrayfield from enthusiastically embracing the Scottish Claymores after their 32-27 victory over the Frankfurt Galaxy in the World League of American Football World Bowl.

Three fumbles by the German punt and kick returners led to three Claymore touchdowns despite overwhelming offensive dominance from the Galaxy.

The Galaxy's first gift came on the opening kickoff, when George Coghill stripped the ball from Frankfurt's Mario Bailey, allowing Markus Thomas to scoop it up and rumble 25 yards for a touchdown after only 11 seconds.

The Galaxy, behind the passing of former Dallas Cowboys quarterback Steve Pelleur, scored twice in the opening quarter and led for most of the first half, until special-teams blunders shifted the momentum.

A pair of Frankfurt fumbles in the final minute of the second quarter led to touchdown catches of 6 and 16 yards by Yo Murphy, who finished with World Bowl records of three TD receptions and 163 yards receiving. Murphy's second score, with eight seconds left in the half, was a spectacular one-handed grab as he managed to drag his right toe just inside the boundary.

After the Galaxy extended their lead to 22-14 on a 46-yard field goal by Paul McCallum, Pelleur connected on a 32-yard scoring strike to Bailey midway through the third quarter. Pelleur's pass for a two-point conversion failed, and the Claymores' narrow lead quickly ballooned after Murphy's third scoring catch, a 71-yarder from quarterback Jim Ballard, and McCallum's 54-yard field goal, worth four points in the World League.

All Blacks Take Care of Scotland, 36-12

The Associated Press

A powerful scrum and the ability to capitalize on scoring chances set up New Zealand for a 36-12 rugby union test victory over Scotland in Auckland.

The victory gave the All Blacks a 2-0 series victory, but the prospect of another free-flowing match was ruined as torrential rain swept Auckland on Friday night and throughout the day Saturday, pushed along by a gusty breeze.

Given the miserable conditions, the match was a far better contest than it might have been, with the teams managing seven tries between them.

Scotland squandered the chance for a victory over New Zealand by failing to take its scoring opportunities.

That absence of a killer instinct was in contrast to the All Blacks, for whom the forward pack performed far better than a week ago in the 62-31 first test victory.

But the Scots, who convincingly won the lineout count, 18-10, and had plenty of possession, won praise from the All Black coach, John Hart, for their effort.

"The Scots played really well and showed a lot of guts and a lot of quality," Hart said. "Their game has improved really well, and if they take it back to the Five Nations championship it will be great for rugby. "To score five tries against them is a pretty good result for us."

The All Blacks won the test in the third quarter when, facing the breeze, they dominated the Scots and eased out from a 17-7 halftime lead to 29-7.

Their final try, a second for impressive flanker Josh Kronfeld, gave the home team a slightly flattering final margin.

"I thought we took the game to the All Blacks, but like last week we couldn't convert our possession into points," Scotland manager Jim Telfer said.

Scotland finished its tour with a four-win, four-loss record. New Zealand now concentrates on the first tri-nations series test against Australia in Wellington on July 6.

Australia 42, Wales 3 In Sydney, Australia won its battle with Wales in the second rugby union test, but the victorious team's dressing room looked more like a hospital ward after the match.

Although Australia took the match 42-3, scoring six tries to nil, the dressing room was full of walking wounded after the Wallabies finally subdued a physical and determined Welsh outfit.

France 34, Argentina 27 In Buenos Aires, the French national rugby team edged Argentina in the first of two test matches.

France dominated initial action for a 22-0 halftime lead, then withstood an extraordinary fight back by the Pumas in the second half.

O'Brien: Olympic Decathlete at Last

Michael Johnson Comes Close to World Record in 200-Meter Semifinals

By Christine Brennan
Washington Post Service

ATLANTA — Dan O'Brien and Michael Johnson both jumped for joy on the track at Olympic Stadium at the U.S. Olympic track and field trials, celebrating the kind of dramatic performance that has come to define them.

For O'Brien, there was relief that in Saturday's 111-degree heat (44 degrees centigrade), the decathlon was over, he had cleared numerous heights in the pole vault, and finally, a month from turning 30, he had become an Olympian.

For Johnson, there was disgust that a tiny breeze kicked up and prevented him from breaking the oldest track and field record on the books. Johnson, who won the 400 meters at the Olympic trials on Wednesday, ran 19.70 seconds in the 200-meter semifinals, which would have broken Italian Pietro Mennea's world record of 19.72, set Sept. 12, 1979 — had it not been for the wind.

When Johnson crossed the finish line and saw the time, he pumped his arms into the air and danced along the track. But after a minute of celebrating, he was told the bad news by a television commentator who was interviewing him:

The wind gauge measured a tailwind at 6.04 miles an hour (9.66 kilometers an hour), above the allowable 4.47.

Johnson, who stopped running hard and looked around with 30 meters remaining, said he was "extremely" disappointed when he found out the wind was not legal. "Very much so," Johnson said. "Hopefully, the wind will cooperate tomorrow for the 200 final. I will be ready to run a good time based on what I did today."

Johnson's time was the second-fastest run under any condition. The only time anyone has run 200 meters faster was May 19, 1990, when Leroy Burrell ran 19.61 seconds with a strong wind at his back at the Southwest Conference championships. Burrell was running for the University of Houston. In a nearby lane was a runner from Baylor who finished second in 19.91 that day — Michael Johnson.

Johnson was running in a semifinal without the other three big guns of the 200: the 1992 Olympic gold medalist Mike Marsh, the 1984 Olympic gold medalist Carl Lewis and Jeff Williams, who ridiculously predicted Johnson was "finished" in the 200 last week.

They all pushed themselves into the finals into a headwind, Williams winning the heat in 20.02 seconds, Marsh next in 20.20 and Lewis third in 20.29.

Of Johnson's race, Williams said: "19.70 is no joke."

"That record has been around for 17 years," Lewis said, "and I think I've been sitting talking about it for 17 years. For everyone to get wrapped up in the record is premature. I think we'll see an incredible race" in the final.

"This is a semifinal," Johnson said, "so I still wasn't putting in 100 percent effort."

Asked if he felt the wind pushing him, Johnson replied, "No."

He added: "It was no two one-hundredths of a second, but those are the rules."

In the decathlon, O'Brien took the lead in the pole vault, the event that ruined him at the 1992 trials. O'Brien no-heighted at 15 feet, 9 inches (4.8 meters) in 1992. He began at 14-9 on Saturday, and ended up clearing six different heights, topping at 17-0¾.

"I wasn't out there thinking, 'Gosh, this is ironic,' " O'Brien said. "But the vault has been key for me." He ended up scoring 8,726 points, well off his world record of 8,891 from 1992. Steve Fritz of Kansas State was second with 8,636, followed by Chris Huffins, the first-day leader, who finished with 8,546 points to take the other Olympic spot.

Saturday's decathlon was the last for two of the event's top performers of the past decade: Dave Johnson and Rob Muzzio, a 1992 Olympian.

Johnson finished sixth; Muzzio ended up a disappointing ninth.

Dave Johnson said he would make a run at the 2000 Olympic team in the javelin, an event he dominates in the decathlon.

"This is it," Johnson said. "I went out there, I'm an old guy, I just couldn't get it done today."

The rest of the competitors simply were setting themselves up for Sunday's finals before 26,000 spectators. Nonetheless, like Johnson, there were out-of-the-ordinary semifinal performances, including that of Jack Pierce in the 110-meter hurdles. With hurdles crashing all around him, Pierce ran 12.94 seconds, three one-hundredths of a second off the world record held by Colin Jackson.

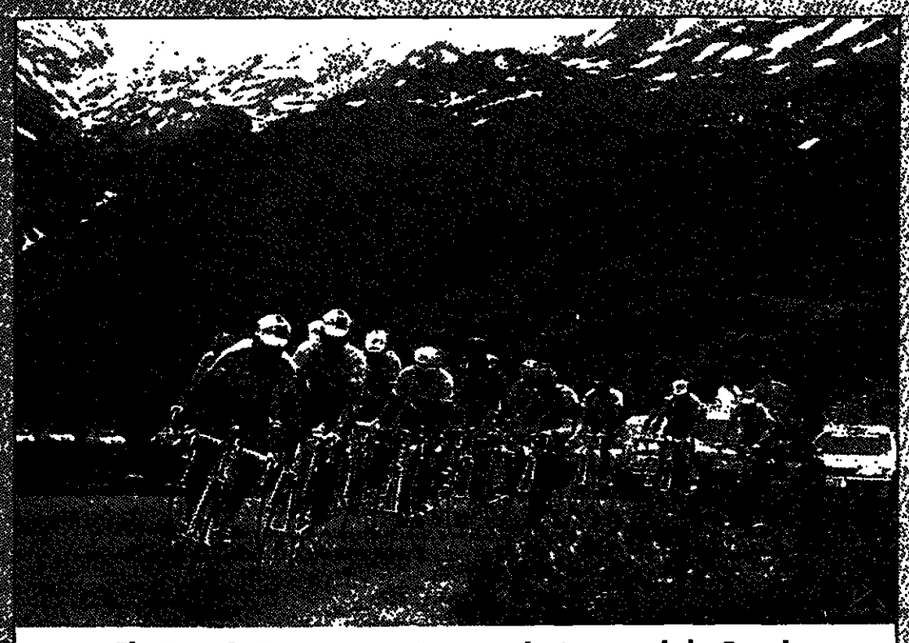
Pierce, 33, who grew up in Cherry Hill, New Jersey, and went to Morgan State, won a bronze medal in his only trip to the Olympics in 1992.



Doug Mills/The Associated Press

Dan O'Brien on his way up to clear 5.10 meters in decathlon pole vault.

THIS WEEK ON EUROSPORT



The Tour de France starts its annual trip around the French countryside; can Miguel Indurain win the worlds greatest cycle race for a record sixth time? European football gets ready to crown its new Champions as EURO '96 reaches its climax; who will replace Denmark as the greatest team in Europe?

Cycling : 29 June-21 July, LIVE, The Tour de France. The Tour starts in the Netherlands this year and will finish 3,835 kms later on the Champs-Elysées in Paris.

Football : 24-30 June, EURO '96, The European Championship, England. The final battle is on to see who will be crowned as the new Champions of European football.

Formula One : 28-30 June, LIVE, The French Grand Prix, Magny Cours. Damon Hill will be trying to stretch his lead in the Championship as Jacques Villeneuve and Michael Schumacher attempt to increase the pressure.

Athletics : 25 June, The IAAF World Games, Helsinki. The Olympic Stadium is the venue as some of the world's top athletes gather in Finland.

Eurosport, the sports TV channel for Europe, covering the best action from Europe and around the world, is available throughout Europe, via cable and satellite.

SOCCER Shooting Into the Semifinals p. 18 **RUGBY** All Blacks Thrash Scotland p. 19 **BASEBALL** Yankees Sweep Indians p. 19

Herald International Tribune
SPORTS
PAGE 20 ** MONDAY, JUNE 24, 1996

WORLD ROUNDUP



Michael Moorer and Axel Schulz in their IBF bout.

Moorer Triumphs

BOXING Michael Moorer had to fight 12 long rounds to regain his IBF heavyweight championship title, and he'll have to fight soon again to keep it.

After Moorer's split-decision victory over Germany's Axel Schulz in Dortmund on Saturday night, Robert Lee Senior, the International Boxing Federation President, said Moorer would have to defend the crown within 120 days against Frans Botha of South Africa.

Botha was stripped of the title after he tested positive for a steroid after his fight against Schulz in Stuttgart in December. *(AP)*

India Has the Edge

CRICKET For the first time on its English tour, India was in a commanding position against England after moving to an 85-run first-innings lead on Sunday, the fourth day of the second test at Lord's in London.

After Saurav Ganguly's century on Saturday, Rahul Dravid, another newcomer to test cricket, scored 95 and steered his team to a first innings total of 429.

Effectively, England is 28 for two in its second innings, after scoring 344 in its first innings, and if India can get quick wickets on the final day, it may be able to level the three-test series 1-1. *(Reuters)*

Cook Sets PGA Record

GOLF John Cook set an all-time PGA Tour record as he extended his lead to six shots after the third round at the St. Jude Classic in Memphis, Tennessee. He carded an eight-under-par 63 in steamy conditions to double his lead over John Adams, who shot a 66.

Cook's 24-under 189 total is the lowest numerical score for the first 54 holes in PGA Tour history by two strokes. *(AP)*

Spanish Cyclist Dies

Mariano Rojas, a 23-year-old cyclist who was tipped as one of Spain's most promising cyclists, died Sunday from complications from surgery after a car accident.

Rojas was due to join the Spanish team ONCE in the national road championships in the northern province of Huesca this weekend but was severely injured in a car accident in his home region of Murcia on Friday.

He went professional in 1994 and took fourth place that year in the Gran Premio A Capital in Lisbon, riding for ONCE. *(AP)*

• The former Australian fast bowler Ray Lindwall, 74, died in a Brisbane hospital on Saturday after suffering a stroke.

Lindwall formed an effective partnership with cricket all-rounder Keith Miller, the pair dominating Australian bowling attacks immediately after the World War II. *(Reuters)*

Germany Will Face England in Déjà Vu

By Ian Thomsen
International Herald Tribune

MANCHESTER, England — The hosts have been going on about reliving old glories. On Sunday, those memories congealed, became real and threatening, as Germany earned its place in a mid-week European Championship semi-final against England, a re-creation of their 1966 World Cup final down to the very stadium.

That game marked the last time the English won a major trophy. This time they will be bolstered by the news of German captain Jürgen Klinsmann's torn calf muscle, suffered not long after he scored the opening penalty in the first half of Germany's 2-1 quarterfinal victory over Croatia. Berti Vogts, the German coach, said he was unlikely to play either Klinsmann or his striking partner, Fredi Bobic, who two years ago was offered a place with Croatia via his Croatian mother, and who Sunday was hospitalized with a dislocated shoulder as violence between the two teams grew.

The Germans haven't looked as vulnerable as they did while allowing their first goal of the tournament, a 51st-minute equalizer from the phenomenal Davor Suker. The Croatia coach, Miroslav Blazevic, had bragged of a possible upset, and his team might have been headed for Wembley if not for the fouls that put Klinsmann on the penalty spot and that, for the last 35 minutes, left Croatia playing with 10 men.

The German winner from Matthias Sammer came two minutes after they helped convince the besieged referee, Leif Sundell, of Sweden to send off Igor Stimac for his second booking of the match, for a tackle of Mehmet Scholl from behind. In the 59th minute, Markus Babbel shoved one Croat out of the way before crossing to Sammer, who shouldered off another while knocking it down for the go-ahead goal through the goalkeeper's legs in the 59th minute.

The Germans seemed to know they were in trouble from the beginning, as Sammer and Klinsmann quickly earned their first bookings of the tournament — Klinsmann with an especially vicious kick to the Achilles of Goran Vlaovic, perhaps in retaliation.

"In the opening moments of the game I received some bad kicks on my right calf," said Klinsmann, 31, who limped off in tears in the 40th minute. "After some time there was no way at all I could put weight on my right calf. I just couldn't even stand on that leg."

Klinsmann has never had a torn muscle, but he offered distant hope of reappearing before the tournament is decided on Sunday.

Klinsmann was handed his goal — his third of the tournament — by the Croatian defender Nikola Jerkans, who slapped needlessly at a ball lost by Sammer near the Croatian end line in the 21st minute. It was, thankfully, the first goal after 260 minutes, 54 seconds of quarterfinal play overall.

Before and after the German goal, the Croats were easily the more possessive and stylish, lapping up against the German goal in wave after wave as the German supporters watched glumly. They were mocking the Germans if not beating them. They roamed the left wing despite several German changes, chiefly Scholl, the 25-year-old Bayern Munich midfielder, in place of Thomas Hassler, who four years ago was named outstanding player of this tournament.

Croatia drew even for a short time in the second half as Sammer played the ball back to Steffen Freund, a midfield replacement for Klinsmann in protection of the lead. He lost control to a hungry tackle by Nikola Jurcevic, and the ball clattered into the path of Suker. With his cleats he ran the ball around Andreas Köpke, and came to a sliding celebration on his knees before his supporters in their mirroring red-and-white checkered flags, clothes and painted faces.



Germany's Matthias Sammer, left, beating Croatia's Slaven Bilic to head home the second goal Sunday.

Bravado's the Word as Portugal Falls to Czechs

By Peter Berlin
International Herald Tribune

BIRMINGHAM, England — Antonio Oliveira, the Portuguese coach, likes to talk of his team as the Brazilians of Europe. It was bundled out of Euro 96 on Sunday, 1-0, by an unlikely piece of Brazilian bravado conjured up by a man from Jindrichuv Hradec.

Ten minutes into the second half of the last of the quarterfinals, Karel Poborsky, a Bohemian not a Brazilian, collected the ball in midfield. Paulo Sousa tackled, but the ball rebounded to Poborsky off the back of Oceano, the Portuguese captain. The Czech midfielder advanced into the penalty area, and as Victor Baia, the goalkeeper, came to meet him, he scooped the ball up with a his toe lifting it into a high, gentle arc, over Baia and down, ever so slowly, into the Portuguese goal.

Portugal, cheered on by whistling, screeching, drum-beating supporters who also evoke the atmosphere of Brazilian soccer, had swept forward from the start, but the first strike at goal came at the other end where Jan Suchaparek jumped to head a free kick just over the Portuguese cross bar.

Fernando Couto, the central defender, characteristically made Portugal's first strike on target: a powerful downward header from a corner that Petr Kouba saved.

Then Ricardo Sa Pinto sprinting into the Czech area forced a reaching save from Kouba with a hard cross-shot.

It is not an accident that Portugal has struggled to turn fluent attacks into goals. The two strikers, João Pinto and Sa Pinto, pulled the Czech defenders back and forth, left and right, with bewildering speed, creating space for themselves around the penalty area. But if the strikers have moved away from the goal, who is to exploit the chances they create? In the first half Sunday, only Oceano moved consistently from midfield into the danger area.

The Czech victory came at a price. Suchaparek received his second yellow card of the tournament in the 50th second. He will miss the semifinal against France. So, too, will Radek Latal, Pavel Kuka and Radek Beybl, all booked for fouls by Hellmut Krug, the German referee.

It was not a violent or malicious game, but, as with so many matches in this competition, its flow was broken again and again by trips, tugs and shoves. The only complaint the Czechs could have is that some other teams have benefited from overly lenient referees. Only one French player, Christian Karambeu, will be suspended for Wednesday's semifinal in Manchester.

With eight minutes left, Latal was sent off for his second yellow card offense. Oliveira threw on Jorge Cadete, a striker. Poborsky withdrew to left back and was immediately beaten by Antonio Folha, another replacement. Cadete met the cross unchallenged but drifted his header just wide. It was the only serious threat the desperate Portuguese managed to pose.

And so the Czechs have emerged again from a long international hibernation. As part of Czechoslovakia they reached the World Cup final in 1934 and 1962 and now stand two steps from repeating their greatest, and equally unexpected, triumph: champions of this competition in 1976. The Portuguese, for all their talent and successes at youth level, have never managed that. Someone should have told Oliveira: The Brazilians have never won the European Championships either.

■ Fans Heat Up Over Tickets

Hundreds of angry fans who lined up for hours in an abortive attempt to buy tickets for the England-Germany semifinal picketed Wembley and booed officials on Sunday after being told the match was a sell-out, Reuters reported from London.

The 3,000 spare tickets for Wednesday's game had already been snapped up in little more than two hours by telephone callers.

English fans, some of whom had slept at the stadium overnight, were left bitter and disappointed.

Many complained that the recorded message on the Wembley phone line did not specify that the only tickets remaining would have to be ordered by telephone.



Radek Latal, left, colliding with Portugal's João Pinto on Sunday.

Seles Wins In a Rout On Grass

The Associated Press

EASTBOURNE, England — With a series of blistering groundstrokes, Monica Seles turned the Eastbourne final into a rout, winning her first grass court title on the eve of a long-delayed return to Wimbledon.

Seles rifled winner after winner to take the first 11 points and 20 of the first 22 in a 6-0, 6-2 victory over Mary Joe Fernandez on Saturday. Though she has an ailing shoulder and is not in the best of shape, Seles swept through this tournament without losing a set.

"I played some of my best tennis today, because I wasn't making too many unforced errors," said Seles, winning her 36th career singles title. "I was going for my shots."

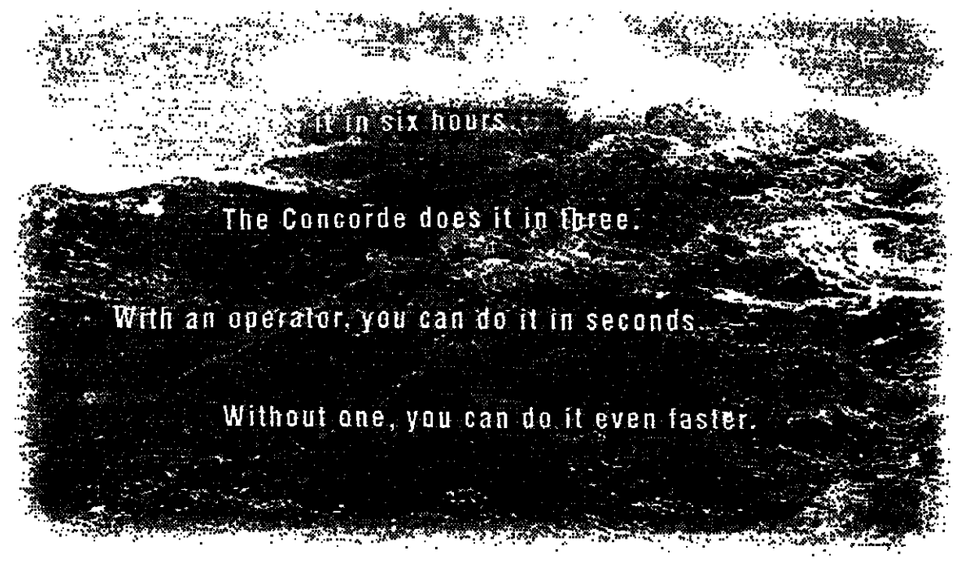
The match was over in 45 minutes when the top-seed Seles whipped a forehand winner. She might not be the same Seles that dominated women's tennis before being stabbed in 1993, but Fernandez couldn't tell the difference.

"It was like déjà vu for me," said Fernandez, whose only victory in 17 matches against Seles came seven years ago. "I've lost numerous first sets 6-0 to her, so it felt just like the old days."

• In a hard-fought battle that could have gone either way, qualifier Niklas Kulti of Sweden defeated French Open champion Yevgeny Kafelnikov of Russia in three sets Sunday at a grass-court tournament in Halle, Germany.

Kulti, who had been plagued by a foot injury over the last year, needed two hours and three minutes to win, 6-7 (5-7), 6-3, 6-4, against the strong serve and volley game of Kafelnikov.

• Anke Huber of Germany captured the first grass-court title of her career by beating Helene Sukova of the Czech Republic, 6-3, 7-6 (7-2), in the final of the Wilkinson Lady Championships in Rosmalen, the Netherlands.



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